Interview with Natale H. Bellocchi

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

AMBASSADOR NATALE H. BELLOCCHI

Interviewed by: Charles Stuart Kennedy

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Q: Today is the first day of Spring 1995, March 21st. Nat and I are old friends. This is an interview with Natale H. Bellocchi. I'm Charles Stuart Kennedy.

Nat, you were born in New York in 1926. Could you tell me a bit about your family and where you grew up and about your background?

BELLOCCHI: Well, up-state New York, a small town.

Q: What was the name of the small town?

BELLOCCHI: Little Falls, not a very difficult name but it is a part of the Mohawk Valley, a series of small villages that had a lot of factories and were largely people by immigrants. The towns in those days were divided by ethnic areas, even the small ones. Little Falls in those days was a small town of maybe 13,000. I think it's less than 8,000 now, and you had one area which was predominantly Irish, the south side was Italian, the Polish lived in one area in the west, and the Germans in another area, and the Ukrainians in yet another. It was delightful because you could go to their ethnic grocery stores and get first rate food. But after World War II that all disappeared and people inter-married to such an extent that all of those ethnic divisions were lost. I went to the public high school, (much to

my parents' dismay I didn't want to go to the Catholic school)but made up for it by being a good altar boy in the church. It was largely an Italian immigrant church that we attended, we had plenty of relatives all there in town. My father died at a pretty early age for me, I was twelve years old. We were in the midst of the depression so the values one grows up with are based very largely on austerity in terms of money, and the values acquired at that age at that time. I lived there all through high school years. When I graduated from high school, World War II being waged, 1944. I was rejected for the draft and it was probably the greatest disappointment of my life. You can't imagine now that in those days not to have been accepted in the draft was just crushing, absolutely crushing. In fact, the result was that I went to college at Georgia Tech because it was so far away. That was the farthest I had ever gone from home. It took 36 hours to get there by train, and I was in a completely different world in the south in those days.

Q: Why did you pick Georgia Tech?

BELLOCCHI: Cheap. It cost $56.00 a semester when I joined. It went up very fast after the veterans started coming, the GI Bill, to something like $400 or $500, which was an enormous sum. I worked, I would say, between 30 and 40 hours a week. The family made a little contribution, but it was largely working your way through.

Q: What were you taking at Georgia Tech?

BELLOCCHI: Industrial Management.

Q: What pushed you towards that? Coming from an industrial town, was that it?

BELLOCCHI: Well, I guess, and in those days being in engineering and management, that is what you would study to get a good job. Essentially the purpose was preparing for a job. I built up an interest in foreign commerce, not so much foreign relations. I think I had in mind getting into a company that had international operations. No particular reason other than I was interested.

Q: Then you graduated in 1948?

BELLOCCHI: From college, yes.

Q: Then what happened?

BELLOCCHI: I went to work for Burlington Mills, a textile company. I was hired through the placement system of the school, and worked in Allentown, Pennsylvania at one of their divisions. They used industrial engineers, taking time studies on to make it more efficient. It didn't interest me all that much. I went up pretty fast. I was still a bachelor, but I was still interested in going abroad. But then the Korean War broke out. I had not been in the service, so of course I was called up in the draft. I didn't tell a lie, I just didn't say that I had been turned down, let's put it that way, because I was still rankled by not having been in the service. I got passed. The heart murmur that caused my previous rejection- well, they didn't seem to hear it. And it's quite possible they didn't because these murmurs go up and down. So I passed the physical, and got drafted and went to Ft. Dix, New Jersey, as a draftee. I remember, 65% of our company in basic training, were college graduates. We were being trained as infantry, and most of those people that I went to basic training with went to Korea, and were caught up and pretty much wiped out by the move of the Chinese into South Korea. But I had foolishly volunteered for Officer Candidate School thinking, my gosh, I'm going to take another chance and if they find I have a heart murmur I'll be out for good. But they didn't, and I went through OCS at Ft. Benning, and spent a year out in California at a camp, Leadership School, they called it, and then out to Korea in the infantry.

Q: When were you in Korea?

BELLOCCHI: 1952—I think '52 and '53, and was assigned to a rifle platoon that had just been wiped out on Baldy Hill, a famous place in the Korean War.

Q: Were you with a division, or a corps?

BELLOCCHI: The Second Division, the 23rd Infantry, A Company, and we were right up on the front line. It was kind of dicey for a while, and then I went to Regiment Headquarters after about six or eight months on the line. That's when the current battle line had already been formed. I was lucky, that's all you can say is that you're lucky. After another six months I came back. I was on board the ship when the Armistice was signed, on the way back home.

Q: You were, by the way, protecting me. I was in Seoul listening to Russian broadcasts.

BELLOCCHI: We had an interpreter in case we captured prisoners. The Regiment had one interpreter, and he spoke no Chinese, a little bit of Japanese which he clearly learned in the bedrooms. So there was a dearth of Chinese speakers.

Q: We had our own little war which was the war with the Russian air force. Did you get discharged when you came back?

BELLOCCHI: Yes, I was discharged but in those days you were supposed to stay on in the reserves for a certain number of years. I remember sitting at home and deciding what to do, and I got this packet of field manuals about the recoilless rifle. They said you have to keep up your reserve status by staying current. I felt so disgusted, I took that bunch of books, wrapped them up, and sent them back. I said I don't want ever to see one of these things again. Letters went back and forth even after I got in the Foreign Service, but they finally gave up on me and released me.

Q: You were now eligible for the GI Bill. Did you use it?

BELLOCCHI: Yes, I used it. In fact, I didn't want to go back to the same job I had. I was still interested in overseas, international work, so I went to Georgetown.

Q: School of Foreign Service?

BELLOCCHI: School of Foreign Service. They had a one year course for people who had already been through college, and I used the GI Bill and worked at Kramer's Book Store in Washington part time, 20 hours a week, and got another degree in one year. I then started to fill in applications, and quite frankly one was an application to be a diplomatic courier. I really didn't have a clue what a diplomatic...

Q: Had you seen Tyrone Powell in the movie Diplomatic Courier?

BELLOCCHI: I hadn't seen Tyrone Powell, but the work looked kind of interesting. It said you flew around a lot...it didn't say you flew around, it said you traveled a lot. So I filled in an application and kept bugging them so much that they finally accepted me, and that's how I started in the Foreign Service.

Q: So you came in in '55, is that right?

BELLOCCHI: Came in in '55 as a courier, and went to Frankfurt first which was then the base for European operations. I didn't know that one had to spend so much time in airplanes. Airplanes in those days were not like the jets of today, they were an adventure, let's put it that way, and often, especially in the low countries, I wouldn't use a single ticket that I had been given when I started the trip, getting on a train and whatever to do your rounds, and get back and turn your tickets back in. I was there for a better part of a year, when I had an accident. It was a bad year. Frank Irwin piled up in a Yugoslav airplane in Vienna, very badly burned.

Q: He stood by the bags and protected them.

BELLOCCHI: That's right, and I went to see him in the hospital on a later trip, and then Louis Hebert had to jump off a plane in the New Delhi airport because of something or other and hurt his back, but not too badly. I was on an airplane between Tripoli and

Athens, a C-47 at that time, and it didn't quite make it. We tried to get back, but couldn't and took a dip in the water. I got the bag out and got on a raft. We were soon seen by a British bomber out of Malta that dropped flares to let us know that he had seen us, and we waited for the planes to come. We all piled on one of these SA-16 rescue planes. I'll never forget there were two of them and only one landed on the water. We all got out on that one, which then was too heavy to take off.

Q: SA-16 is an amphibian plane.

BELLOCCHI: A rescue plane, and he couldn't take off because it was too heavy, if two of them had landed we could have taken off...we had to taxi all the way to Libya. Then I got back to Wheelus airport where I'd been, that's where I started from Wheelus Air Force Base, to pick up the bag to take to Athens. (We used to have what we called details, and one was traveling from Athens to Turkey and Israel into Cyprus and that area, and then back and forth, then over to Wheelus to pick up the mail from Washington and back.) I had the bag with me when I got off the plane at Wheelus, and the supervisor from Frankfurt had flown down because they had heard that all was lost, and they had all the classified mail to deal with. So he was down there when I got off the airplane. He looked at the bag, and he said, “For heaven's sake, you got the mail all wet.” I realized I wasn't going to get an awful lot of sympathy. It was a different world in those days. I lost my suitcase and I wrote to the Department and said I had lost a suit and a camera, etc., and it was the equivalent of about $120, which was a lot of money in those days. I got a nice letter back saying, “There are private insurance companies, you should have taken insurance.” I don't think you get that now.

Q: Then you moved over to Manila?

BELLOCCHI: After that accident, I took a couple trips behind the Iron Curtain which was very interesting in those days. But they needed some help out in the Manila office and Louis Hebert and I were the last two on the totem pole. We both got transferred out to

Manila and I started to fly in the area. One of the reasons I joined the courier service was trying to decide where it is I would like to work internationally. I had read all the books on China that were so popular...Pearl...

Q: Pearl Buck, The Good Earth...

BELLOCCHI: I was interested in Asia, and I was also interested in Eastern Europe and I had seen a little of Eastern Europe on a couple of trips I had taken before. But when I got transferred out to Manila, I took a KLM airplane I'll never forget. It was a Constellation, and I got to Bangkok. Before getting to Bangkok I started talking with the stewardess, who checked my passport and noted that I did not have a visa for the Philippines. She said, “You've got to have a visa to go into...American passports need a visa to go into the Philippines.” So I got off the airplane in Bangkok and caught a cab to take me to the embassy. Don Muang airport in those days was a long way away from urban Bangkok. It was a narrow road. Inevitably you could see one or two cobras that had been run over by a car or something. I got into Bangkok, but on the way, in the outskirts of Bangkok, I caught the smells of the open sewers, and you know that reminded me of Japan and Korea, and I said, “This is where I want to be.”

Q: These were the honey pits.

BELLOCCHI: This is the area that I really like. It is not exactly the kind of smell that you would normally be attracted to, but to me that was it, this is the area that I really like. I got my visa, and eventually went to Manila and traveled all over that area out of Manila. In those days we were in Manila, and the Manila airport was fairly active but eventually the couriers had to move out to Bangkok for a better airport.

Q: As a courier were you so removed, did you feel like you were part of the Foreign Service life, or were you...

BELLOCCHI: About half because when you got to an embassy and had to stay overnight, (embassy people were awfully nice in those days, especially because one didn't have as many visitors given the air travel of those days was not that easy)you'd get invited out to dinners, etc., and you really found it difficult to carry on a long conversation. Yesterday you were in Thailand, and today you're in Singapore, and tomorrow you're in Jakarta. So your conversations actually were easier with air crews, or hotel people, or people you'd meet in a hotel. The Foreign Service people were all caught up with how tough life is in that particular place. But you knew you were in the Foreign Service. I was very much a part of it, but as far as conversations and small talk, that was more difficult.

Q: I was in Frankfurt on my first post when you were in Frankfurt. I was stamping visas so couriers came and went and except for that incident of a man who was badly burned and saved his...

BELLOCCHI: Yes, Frank Erwin. To travel then was more intense. We flew as much as 100-150 hours a month in those days. You'd get back, and you'd just get time to turn your laundry in and pick up some clean laundry and get back on an airplane because there was never enough people. We always had to recruit people from other agencies to help us with the curtain countries, where we usually traveled in pairs.

Q: Going into the Iron Curtain, was there a problem about intelligence agencies going after you?

BELLOCCHI: After Manila I went back to Europe, incidentally, for a full two years and traveled quite a bit behind the curtain. This was all in the "50s in the midst of the Cold War. First of all, you very quickly acquired a second sense. I surprised myself, you know when you're being followed, and you have a second sense. You know exactly when you've picked up a tail, we'd call it. In the Iron Curtain countries they always assumed that couriers were spies, so we were followed wherever we went, always. In some ways, if you didn't mind, it was fine because it was safe, you never had to worry about anyone doing

you in. And in those days you carried your diplomatic passport and that really gave you a sense of security, and it was security. But not now. At any rate, you traveled around a lot in those countries. It was absolutely fascinating, it's an experience you never can forget the rest of your life.

Some of the foolish things one did. We used to love to try to lose our tail, for example. That was kind of dangerous business, we shouldn't have been doing it.

Q: Was there ever any provocation? A pretty girl appears...

BELLOCCHI: There were a couple, but not really very much. I think the countries were always much more concerned about reciprocity, so they were treating us with great care because they wanted their people to be treated with great care here in the States. But places like Eastern Europe, we used to have a favorite place in Budapest which was delightful even in those days. They used to have a gal there that was always nosing up to the couriers. We all knew about it, and we all talked about it and joked about it but nobody played around. That was dangerous business.

Q: When did you move out of the courier service?

BELLOCCHI: After the second time in Europe, I went back to Manila for a very short time. I signed up and took the Foreign Service exam again, and passed the written so I said I thought it would be good if I got into a regular job in the Foreign Service to prepare myself for it. So they assigned me to Hong Kong, and I directly transferred to Hong Kong as administrative officer assistant, or something like that. I had taken the FSO written exam and passed, so then I went to Washington for my orals. Another courier from Europe was having his orals and was in Washington at the same time. I went in first, took the orals and they wanted to know if I was interested in specializing or in general Foreign Service work. Thinking that was the best, I sai“No, I would really like to specialize. I've been in Asia and I really would like to get into Asia.” They said, “Unfortunately we're not really looking for specialists now, we're looking for generalists.” Whoops, there goes that one.

But I actually felt better. I was crushed for a while, but I went out and the next day a fellow courier took his orals, and I told him what had happened, and said, “They're looking for generalists, so you better be careful what you say.” They asked him the same question, and he said, “General work in the Foreign Service.” And they said, “Well, we're really look for specialists.” It was just that they had over-recruited and they weren't taking anyone on. And then they stopped giving the oral exam. The next year they didn't have it. So I had to wait actually two more years before going through that process again.

Q: What were you doing in Hong Kong? We're still in Hong Kong during this period.

BELLOCCHI: It was strictly administrative work, motor pool, housing. It was in the 1959-60 time frame, so Hong Kong was a fascinating place to be.

Q: Who was Consul General when you were there?

BELLOCCHI: Holmes. His son became Assistant Secretary and did very well in the Foreign Service. Holmes used to wear a high stiff collar. I can't remember now...but it was a time when there were so many applicants for visas. People were still called refugees in those days. Now they're illegal immigrants. Our visa section used to have a Documents Verification Unit. They'd do all kinds of things that were absolutely not lawful.

Q: Catching people with their cram books...

BELLOCCHI: Getting into somebody's bedroom and looking at documents and things of that nature. I mean it was done with the knowledge of the Hong Kong authorities, of course. And to the credit of the Consul General, he put a stop to it and disbanded that whole unit.

Q: We can come back to that. You had a chance to really focus on China.

BELLOCCHI: In those days China was forbidden.

Q: Were you within the group there?

BELLOCCHI: Oh yes. All the China language officers, I used to pal around with quite a bit because in my assignments in Manila I used to have a Chinese teacher...I started to learn Chinese there and it was mostly using writing because I would be gone for most of the time. So whenever I got to Manila I'd have a few lessons and she'd give me a whole bunch of assignments, but it all had to do with the written Chinese. Then off I'd go for two or three weeks and back. So I really got a head start on learning Chinese at that time. So, of course, I was very fascinated with Hong Kong and all the China language officers were very helpful. In fact, one of them even let me sit in on his lessons that he took there at the Consulate General. The teacher now lives here in Washington. I actually improved quite a bit on the spoken there in Hong Kong because of that. I always had my eye on eventually learning Chinese, and after I left Hong Kong and went to Washington, and passed the orals, I was assigned to be the GSO in the embassy in Vientiane...In fact I had already been assigned as the GSO in the embassy in Vientiane before returning to Washington. When I passed the oral I said, “Now I'm an officer, am I going to get something better?” And they said, “Sorry, too late.” So I had to go out there, but it was delightful. I really enjoyed it.

Q: You were in Laos from when to when?

BELLOCCHI: '61 to '63.

Q: What was the situation in Laos at that time?

BELLOCCHI: It was delightful. We had no running water, so we had a water tank truck that went around and delivered water to the houses that you lived in. There was no electricity; everyone had their own little generator. There was a place called Silver City where most of the staff people lived. It was built by USAID. When I got there our military was still there,

like MAAG-type of military. AID had been bounced out before the talks that were going on with Harriman in Geneva had begun.

Q: Laos was right on center stage at this point.

BELLOCCHI: That's right. As a matter of fact when Kennedy was president he always said “Laaos”. When Unger became ambassador, he would go back to Washington, and the President usually called him in. The Ambassador told us he didn't have to give the President any background about where Laos was, or what was going on. He was very familiar with it. So he said it was really quite an experience. We were in the center of everything. It was fascinating.

Q: What was the impression at your level, and your perspective, of the importance of the country and why it was on the President's front burner?

BELLOCCHI: Oh no, I mean it was strictly a Cold War thing. We always used to say Laos was not really a country, it was a figure of speech. It was not really the kind of thing that you'd say; well, here's a clear territory, clear borders, people that are under the control of the...none of that existed. It was very much just an area.

Q: I'm talking about when you were there, were you all feeling that you might be swallowed up by the communists at any point?

BELLOCCHI: Oh, sure. Up in the Plain de Jars, Kong Le and his troops were not communists, but they were allies of those that were. Sure, they thought they would be coming down and then moving into Thailand. It was the old domino theory that they were still thinking of in those days. So I think that the ideas was our JUSMAAG people were supporting those that were resisting the communist move to the south.

Q: Your ambassador was Leonard Unger.

BELLOCCHI: Yes.

Q: How did he operate the embassy?

BELLOCCHI: Well, you're in a place like that, it's quite unusual, you do everything for yourself. We built an addition on to the embassy all by ourselves, all this kind of business. When it rained very hard you just rolled up your pants and walked through the flood, and the secretaries kept right on typing away with the water swirling all around them. It was a happy mission, a very happy mission. Eventually the AID people started to come back as the military left. For a while we were all alone, only about 30 of us in all Laos when the military left. Then AID came in. They came in faster than the military left. They really poured in. But it was a family thing. I remember we'd have parties and Unger would come, taking a beer and downing the whole mug of beer at one time. We'd have contests, and he'd join right in. It was a fun post.

Q: Did you have any dealings with the Laotians?

BELLOCCHI: Only when we got to things like receptions. I was in the administration section, and in fact didn't have to deal with many Lao officials. We had third country nationals dealing with them.

Q: What would you have? Filipinos?

BELLOCCHI: Oh, yes, we had Japanese, Filipinos, Thai, Chinese.

Q: I take it Laotians weren't up to, or interested...

BELLOCCHI: I think peddling the pedicab was about the level of technology that they had reached at that time. They may have improved after that, but at that time, no. So we did everything ourselves, with our own people. It was fascinating, I enjoyed it. If you take an interest in any post it doesn't matter where you go, it can be a challenge.

Q: That's the kind of place that's fun.

BELLOCCHI: We enjoyed it very much.

Q: You were married by this time?

BELLOCCHI: No, still a bachelor. You'd go down to Bangkok, for example, that was the big trip for us. It was at a time, you remember, during the Kennedy years when there really was an attitude back here in Washington, administratively, that the post should be given money and let them manage it and have them report back. If they do their job, we'll fund them. That kind of flexibility made it actually a lot of fun to be an administrator of those things. It was challenging. We were able to accomplish an enormous amount.

Q: Then you left there and what happened?

BELLOCCHI: We got inspected while I was in Laos and only two of them dared to come up from Bangkok. They inspected us at a time when it very fortuitously rained very heavily so flood waters were all over the place. Our secretaries were sitting at their desks typing away with water and lizards floating around the water, and right within the building. I'm not talking about outside, and they were very impressed with the way we kept everything going even in such a bad time. So I at that time had just become an officer—I'd passed my Foreign Service exam, I actually got sworn in in Laos by the DCM at that time, and they said, “Well, you don't have any language on your paper. What are you going to do about that?” So I said I would like to go to Chinese language; I'd been studying it privately on my own even there in Laos. He asked me, “With a name like yours, why not Italian? That would be the easiest way for you to get off the language problem.” I said, “Yes, but if I studied Italian, I would only be able to be assigned to one place and I'm interested in Asia.” So he said, “That's reasonable.” And he recommended that I go to Taichung, and I did eventually get the orders to go to Taichung.

Q: Taichung being the...

BELLOCCHI: ...the language school on Taiwan.

Q: I've got you there from about '63 to '65?

BELLOCCHI: That's right.

Q: I think it's important to understand the type of people who went to language school at that time. Could you talk about your class, and how the training was, and its outlook?

BELLOCCHI: It was still at that time a carry-over of the old type of language school where it was very important that you mix. You'd get located in a place where there aren't many tourists and foreigners, so that you had to use your language as much as possible. They had a small school, at one point there were only six students and six teachers. It was always one-on-one, changing every hour, no English spoken in the school. Every weekend was off with one of the teachers to some village, or someplace else on the island where the teacher would never never speak English. You had to order food, and get to the hotel, and all this kind of business. So it was very intensive. We had six hours of class a day, plus we were expected to put in at least two to three hours of listening to tapes after that. They threw you into it no matter what. I had not had a bit of the romanization they were using at that time, the Yale romanization system. I'd studied my Chinese from characters because of the job I had, and it was kind of tough adjusting to the new system. I never have really learned much on romanization. I found it very difficult, but that didn't matter. They just threw you in there and you had to do it. I think being that intensive, and being isolated from foreigners, really was very very good. That's where I think government was getting their money's worth because after all of that, and going up to Taipei to the embassy, it was really only then that I began to think in Chinese, and really felt comfortable speaking Chinese, even after that intensive thing. So if it's less intensive I don't see how people can really get as much out of it.

Q: What about the officers who were getting trained with you? What was their outlook towards China, and your outlook too? You had Communist China, and you had Taiwan.

BELLOCCHI: First of all there was a mix of people there. There were some military, some USIA people, there could have been any number of other agencies that had some people learning languages, and USIA people were focused more on culture and that area because the vocabulary is quite different. But as far as the attitude, that was still a time when Communist China was Red China, and the concern mainly was, well, there weren't really very many places to go if you were going to use the language except Southeast Asia, and that was only with the overseas Chinese group. In fact most of those people didn't speak Mandarin, so it was kind of limited. I think that everyone thought, well one day this is going to be useful because one day maybe there would be something opening up out there. But as far as attitude, China was Taiwan. That was the China that everyone knew, and not always with great admiration. There was a lot of criticism of the government of that day.

Q: From your observation at that time, can you characterize the Kuomintang government on Taiwan.

BELLOCCHI: Very good in terms of efficiency, the use of our AID money, very impressive. Of course, very disarming always because they're always quick to acknowledge, “Oh, we really appreciate all the help you're giving...” this type of thing. They're very very good at this, and I think it's not a put-on, I think maybe they are sincere. But there was also very much an awareness at that time that it was a small group that was governing, a majority of people that weren't really participating at all in the whole process. In fact, that was my major emphasis when I went up to Taipei because I was assigned up there as the assistant commercial attach#, and it was at a time when AID was just phasing out. In fact they closed their doors in '65, and we had to look for export opportunities. Before that we were dealing with government. So AID always dealt with government only, and government always dealt with their state enterprises, and companies that were

more or less Mainlander run companies. And when I got up there, they were saying we really had to start developing a market. Most of the private sector is really Taiwanese, not Mainlander, and we didn't know anybody. So I started a major effort, in fact I wrote a very large report ...I visited almost every factory on that island, went all through that island visiting factories, getting to know a lot of people, and then developing a huge list of Taiwanese business men. Some of them very substantial, and we really started to work on getting to know them better and developing export opportunities for them. Again, you can make every job a fascinating job, and it was fascinating for me.

Q: You were commercial officer in Taipei from '63 to '68.

BELLOCCHI: '65 to '68.

Q: In the first place, was the attitude of the ruling people who'd come over from the Mainland, sort of looking down on the Taiwanese?

BELLOCCHI: Oh, yes, very much.

Q: Sometimes these attitudes get picked up by the embassy officers?

BELLOCCHI: Well, to a certain extent because in those days, just say as an example a political section...I can't remember how many officers were there, say four or five anyway, they would always have one that had had three months extra study in Taiwanese which, of course, meant he could say hello and goodbye maybe at the most. But at least he focused on the Taiwanese community from the political reporting standpoint. It wasn't given that much attention because all the power was in the hands of mainlanders. So I think there was certainly sufficient element of our people who were China oriented, to think that Chiang Kai-shek and the Kuomintang and the rest of them were here temporarily and one day they would return in some fashion back there to the mainland. But there was also a lot of criticism of our dealings with the authorities. To be fair, that's something that doesn't come easily for us, and we were well aware of the inequities there. As time went on that

grew, that is, the awareness that the Taiwanese were really second class citizens in their own place.

Q: Who was our ambassador at that time?

BELLOCCHI: Admiral Wright, Jerauld Wright. I'll never forget Jerauld Wright. He was only there for a short time. On my first assignment after arriving in the embassy, a lawyer from Los Angeles had a trade complaint on some scrap iron. Somehow or other $100,000 had changed hands, and the Los Angeles client was claiming they hadn't received the scrap iron, while the local scrap iron dealer claimed they had. The American lawyer came to the embassy for help and they sort of hooked me, and said, “You go and help him.” So I was the translator, an interpreter for a full week of this guy bargaining, and by the end of the week, as usual, the fellow's foot was practically on the airplane going back to Los Angeles before the final deal was struck for $40,000. And they agreed, and he got a check for $40,000 there at the airport, and to this day I don't have any idea who came out on that one. It seemed to me that maybe both of them came out, I'm not sure. But unbeknownst to me, that lawyer, when he got back to Los Angeles wrote a letter to Ambassador Wright to say how much he appreciated the help this fellow Bellocchi gave, he was a superb interpreter. I didn't know anything about this, but my boss from the Department of Commerce, a very fine...he's still alive and lives out in Minnesota, wrote my OER, efficiency report, and he showed it to me as they were supposed to do. Then he said, “While you're reading this, I want to show you something that I didn't have the heart to show you before.” This was months after...he pulled out of the center drawer, this letter from this fellow in Los Angeles and all these fine things he said. Scratched across the top of that letter, “I don't believe in complimenting an officer for just doing his job.” Signed Jerauld Wright.

So Wright was there at first, but then there was a hiatus...

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Q: Today is April 10th, 1995. Nat, before we move on, I think we're just about finished with your first time in Taipei after you became commercial officer.

BELLOCCHI: Assistant Commercial Attach#, that's right.

Q: I'm not sure if I brought it up but I'd like to bring it up in case we didn't mention it last time. As you got into Chinese, and you were on Taiwan, did the shadow of John Stuart Service and the old China hands who were badly burned by McCarthy and the people on the right, did you new China hands kind of look over your shoulder and think about that much or not?

BELLOCCHI: I don't think we thought about it at my level at that time. But you certainly sensed that up in the higher levels where policy decisions were actually being made, it was an element in the kind of decisions one was going to be making to be sure one stayed out of trouble.

Q: Were you saying, this isn't going to happen to me. Or at a certain point you better watch...I mean looking towards the future because by taking the language you had made a commitment. Did your cohorts sit around and talk about this, or not?

BELLOCCHI: I think in Taipei there was always...I guess among the liberal element of our China types who thought we ought to make more contacts with the native Taiwanese, that this was where all the people were and one day there would be a democracy, and we ought to..., etc. And there were the other cautious ones saying, our policy is with Chiang Kai-shek, and retake the Mainland, and all that kind of business. And even though we knew it was patently ridiculous, that Taiwan was not going to retake the Mainland in that sense, nobody really would stand up and say, let's drop this fiction.

It got to the point where...I remember a little incident when I was leaving Taiwan, Fred Chien and Paul Chou, and one other from the North American section of the Foreign Office in Taipei, had a little lunch together with a couple of us from the embassy. At the

time I think Fred was about the number three in the North American section, he's now the Foreign Minister. We were kidding and the inevitable question always came up, what's going to happen when the Gimo goes? The Gimo was pretty old at that time. And Fred who wears glasses, sort of put his glasses down toward the end of his nose, and said, “You mean if he goes.” We all got a big kick out of that, but it was the sort of thing that demonstrated that the was considered supreme by everyone, and everyone thought they had to pay public obeisance to it, including us Americans. When I was down in Taichung Ambassador Kirk was just leaving, he was Kennedy's ambassador to the ROC. He was followed then by Jerauld Wright who just died recently.

Q: Yes, about a week ago.

BELLOCCHI: Jerauld Wright was conservative, nothing could be better than Chiang Kai-shek and his people, so one had to be a little careful on how one were criticized the Taiwanese Chinese, to protect your own career I guess.

Q: Oh, absolutely. Well, Nat, you left Taipei in 1968, and you went to Hong Kong. What were you doing in Hong Kong?

BELLOCCHI: Oh, that was a great disappointment. I was sent there to the economic section because, you know, like any Chinese language officer you're very anxious to be a China watcher, and I was anxious to be more the mainstream Foreign Service type, either economic or political. So I was delighted that I was going into the Mainland economic section of the consulate. And no sooner had I gotten there than the Department had apparently done some cutting of positions, and a position was being cut out of the Mainland economic section, and since I was the latest in I was going to be the first out. And they said they wanted me to be the assistant commercial...it's not commercial attach# in Hong Kong, the assistant chief. And I was just furious because I had been the assistant commercial attach# up in Taipei, so I held out for being the chief, and got it. I became the chief of the commercial section, and it was a disappointment for a short time because I

really did want to do some China watching. Especially during the cultural revolution time when China watchers did innovative things like trying to see where the pigs were coming from in Hong Kong today. That would indicate whether or not there was something going on, where pigs normally came from! But, in fact, it doesn't matter which job you take if you develop interest in it. I started to get into the job of chief of the commercial unit, and wound up with an accomplishment, I think, quite an accomplishment getting an American Chamber of Commerce started in Hong Kong.

Q: You mean they didn't have one until then?

BELLOCCHI: No, they didn't have one, and there was great resistance to it. One from the policy standpoint. We didn't want to raise a high profile in Hong Kong. I thought this was patently ridiculous because the Seventh Fleet used to park ships down in the harbor every day. If we worried about profile, why weren't we worried about all those war ships in the harbor. And then even in the American business community in those days, a majority were those traders that had come down from Shanghai, they were the old timers, and they operated by the seat of their pants. They represented large corporations in America but they did their business on a personal basis like everyone does in China as you know. And American Chamber of Commerce, that was alien to their kind of thinking. They were doing fine, thank you. But there were a lot of the new multinationals that were starting to open up offices in Hong Kong. They were modern managers, and they did want an American Chamber. So I argued the case that even during the Cultural Revolution, the Hong Kong government was very much interested in knowing what was the American business community was going to do. Were they going to bug out? There was no mechanism to get a good survey quickly about what the American business community was thinking. So I used that as an argument both with Ed Martin who was then the Consul General in Hong Kong, and with the Hong Kong government Secretary for Commerce and Industry. And they finally said okay, as long as the Chamber didn't raise a high profile. The American business community didn't want to make trouble, they wanted to do business. So I took a poll of the American business community, and sure enough, a lot of people were

interested in a Chamber. So I convened a meeting down in the brand new Hilton Hotel, it had just been built. Someone from the U.S. Chamber of Commerce was passing through and I used that as a crutch to get this bunch together. I told them, “I have done all the surveys, and this is what we find. But I'm with government, and an American Chamber of Commerce is a business organization. If you all, as businessmen, are interested, I certainly have a mimeograph machine, and I'll help in any way, but its got to be you all that organize it.” And much to my dismay, the first two or three businessmen that got up, big ones, were saying they really didn't like the idea. And I thought, “Well, that was the end of that exercise.” But then three of them got up, and volunteered to form a committee to see what kind of opinion there was on getting the Chamber started, and if there was a majority to get it started. Well, they already had the majority because I had all the papers showing in the survey. That's what got it started, and they moved on from there. It's become one of the largest AmChams out in Asia. It has been growing every year since. So I was quite pleased with that accomplishment. I also had another reason—the day of that meeting was also the day I got married. In the morning I had the meeting, in the afternoon I got married. So I always remember that particular...

Q: At that time, you were there from '68 to '70, why would one want a Chamber of Commerce?

BELLOCCHI: You have to know the atmosphere in those days. There was what was called a Foreign Assets Officer out there, and this guy really took his job seriously. There were not many Mainland Chinese stores in Hong Kong in those days, but there were a few. And this guy would go down there and stand around to see if any American tourist were buying things; that was then against the law. You couldn't buy anything from Communist China in those days. But there was more, I mean important restrictions. For example, U.S. oil company tankers, if they bunkered in a Mainland port, were breaking the law. They were very upset about those restraints, while all their European competitors were making all the money. So when the AmCham opened, the Secretary of Commerce was passing through Hong Kong and we used that occasion for the grand opening of the

American Chamber of Commerce on the top floor of the Hilton Hotel. Jack Wolfe, who was the Caltex representative at that time, was the first president of the AmCham. I remember the Foreign Assets Control fellow was there at that dinner, and Stans was the Commerce Secretary. And Jack Wolfe gets up, and he gives his talk, and boy, he hits Stans right between the eyes with this business of, why can't we bunker our ships just like everyone else can bunker, and added all the other constraints of the Foreign Assets Control. I thought the Foreign Assets Control fellow was going to fall off his chair because this was his whole life. So it demonstrated very quickly why have an American Chamber of Commerce. It was not just because they wanted to have influence on the Hong Kong government, they wanted to deal with their own government on some of these constraints as well. And it worked, they got that thing changed eventually.

Q: What was the business climate like in Hong Kong at the time you were there?

BELLOCCHI: This was in the "70s when Hong Kong really started to take off with a lot of industries. First of all, for American business, it was a transition from the old seat of the pants Shanghai types who represented all these large corporations, to the large corporations coming in with their own offices and representing themselves. They had a professional managerial class coming in. Then U.S. manufacturers were largely the early electronics producers, like transistor radios, who were just beginning in those days to come to Hong Kong. They hired all these little young gals out there by the hundreds putting these tiny little things together. The growth of the American business community was in that area at that time.

Q: Were you picking up the feeling of say the Hong Kong business people more than the Chinese and the British about how they viewed what was going in China, and how they viewed the future?

BELLOCCHI: It's funny, maybe its changed now, but in my time the Americans and the British community weren't all that close. I mean it wasn't an adversarial relationship, by no

means, but they had their friends and we had ours, and there really wasn't that much mix between the British community and ourselves. There was much more mix with the Hong Kong Chinese than there was with the British. There were a few exceptions, the political advisor in the government was a Foreign Service type and we both knew professionally how to operate with each other. But the rest, no. The colonials, the government, the view they had of the Americans was that we were a little bit too strong. But the Chinese Hong Kong, we got to know very very well indeed. You know, you make friends in Hong Kong and they really are life-long friends. We still communicate with some of our friends there.

Q: Are they a breed apart, did you find?

BELLOCCHI: The last tour I had, it was not following this one that you're talking about, I had a subsequent tour in Hong Kong when China was opened, and talking with the Hong Kong Chinese business men, and the Chinese Chinese business men from Mainland China, if you can call them that, and their respective thinking were like two ships passing in the night. Really the mentality is totally different. Now I think there's been a much stronger mixture since then, but yes, they were a breed apart. They were optimistic about Hong Kong, no matter what happened they always felt, stick it out. And they usually won out because things got even better. Yes, very much a breed apart.

Q: What about the view you were getting from our China watchers? You were part of the consulate general there, the cultural revolutions was in full swing, wasn't it?

BELLOCCHI: During that tour, yes.

Q: How were we seeing it then, as what they were doing?

BELLOCCHI: Well, of course, it was sheer turmoil that was going on up there, but in China, there was a constant search for little tidbits of information about precisely what it was that was going on. The famous one is my colleagues watching the pigs that were coming in from the Mainland, and saying these pigs were coming from a different place

than they used to come from, therefore there must be some problem up in the original area. And that was the way we worked. People would go down to the railroad station and look for Chinese newspapers that maybe were left behind; and others that had contacts with tourist agencies to get to one of the groups coming back from China to see if they could cull some newspapers and magazines. That was the way we were trying to read what was going on in China. It was for many a big mysterious place. Tourists would go out to the border and look across the border—they used to pay for that, to just look across the border to see China. Every day we'd walk past the Bank of China, as the Consulate General was just up the hill from the Bank of China. It was a mysterious place, and we used to see people go in and out of it, but nobody, nobody ever saw the inside of it. It was quite different. Most of the people in Hong Kong, let's face it, were refugees from Red China. You watched the change in the flags that were flown on National Day. The first tour I had in Hong Kong was around 1960. On double ten, the Nationalist Day, all of the flags were the nationalist Chinese flags, and were all over the colony. But on October 1st, the PRC day, you saw very few Chinese flags. Well, by the second tour in '68, that was already beginning to change very substantially.

Q: The Hong Kongese were not looking towards Taiwan, but looking towards...

BELLOCCHI: ...the outside world. It's a mystery. Singapore is the same. If you get an analysis on China from Singapore, I always thought because they don't really understand China that well. And Hong Kong was the same. And Taiwan, that could have been on Mars as far as the people in Hong Kong were concerned. I remember Herb Levin a few years before, had brought a cook down from Taiwan, and he spoke Mandarin. They moved into an apartment, and wanted to get an air conditioner set up. So they called some workers in while the cook was there. He spoke Mandarin, and they up and walked out. They thought this guy is from Mainland China and they didn't want anything to do with him. So someone from Taiwan would come down and speak Mandarin, and the Kong people would assume he's from the Mainland. They didn't think about Taiwan at all, it was just off their radar scope. To a certain degree it's now changed, there are so many tourists

from Taiwan going into China through Hong Kong, and there's so much trade from Taiwan going into Mainland China that more Hong Kong people do know that Taiwan exists.

Q: What about the Vietnam war? This was going full blast, as a matter of fact I went through Hong Kong at this time a couple of times. I was Consul General in Saigon, and I'd drop by and used to go to the Mainland Chinese...

BELLOCCHI: ...Yes, China Products.

Q: ... stores and got little Mao books which I'd give to my ___

BELLOCCHI: China Products. Cigarette lighters, and everything had Mao on them. Yes, there was a lot of R&R in Hong Kong, so it was commercially quite a boom to Hong Kong with all these troops coming in for leave.

Q: Was there any feeling with yourself and the other staff about what we were doing in Vietnam?

BELLOCCHI: Oh, that reflected in our staff, but not in Hong Kong. In Hong Kong as long as they were making money they were happy. Among the younger officers there were some, as I recall, there were demonstrations in which some of our officers actually went out with the demonstrators. It was peaceful demonstration, they weren't throwing eggs or anything. But that was appalling to many of us. God, what is going on here? We're really falling apart. But nothing serious. But sure, there was a change in attitude.

Q: How about among the Chinese experts? It was almost a given that the North Vietnamese, the Chinese, were sort of together like 'lips and teeth'. Yet once the North Vietnamese won, the Chinese and the Vietnamese were at war.

BELLOCCHI: Back to their natural state.

Q: But was this thought about?

BELLOCCHI: No. There was very little about it, there was always the fact that the North Vietnamese were getting all this support from China, and both were communists, therefore they had to be good friends. This type of thinking, not unusual. I mean, there was a sign that we used in U.S. buildings in Vietnam that said, we don't have 12 years of experience in Vietnam, we have one year experience twelve times. Our people in South Vietnam, I think, were not reporting that there was any real differences between communist China and communist North Vietnam. I think only later did become clear that in fact that was the case. But as long as the Chinese were feeding weapons to the north it didn't really matter.

Q: Was there any concern—again, I only speak about this at the time, '68 to '70 period—that the bombings that we were doing, and the various things, might drag China into the war?

BELLOCCHI: I'm sure there was. I didn't perceive them in the kind of work that I was doing, but there must have been a concern about dragging China into it. I think it was pretty clear China didn't have to come in, all they had to do was feed weapons to the North Vietnamese. They didn't have to get involved themselves. I didn't sense any hesitancy about it during my time there, however.

Q: Back on the commercial side, where was our thrust at the time? Were we trying to attract Americans to export to Hong Kong? Or were we working almost the other side of this?

BELLOCCHI: That, inevitably, yes. We were trying to attract the U.S. exports. We had catalogue shows, and things of that nature, to encourage American exports. We had the World Trade Directories, or whatever it was called, all the different things that Commerce usually has for these things. But we also were promoting Hong Kong as a regional center for our multinationals. I remember writing a big report on Hong Kong as a regional center. Taiwan is now boosting this sort of thing, but in those days it was Hong Kong. I also wrote a comparison of Hong Kong and Singapore as a regional operations center.

And many of our companies willy-nilly were using Hong Kong for that purpose for very pragmatic reasons. It was practically a tax free place, a free port. So on paper they could do a lot of business throughout Asia and take the profit in Hong Kong where the tax was lowest. Of course, the countries in southeast Asia weren't terribly happy with that kind of arrangement, but our companies were doing quite well.

Q: Was there concern during this period that the cultural revolution might bring out mobs in the streets in Hong Kong?

BELLOCCHI: Absolutely. The British were very concerned about things like the riots that actually took place. You know they also had them long before in '56. They had riots when there was a large fire in the refugee camps...they were called refugees in those days, not illegal immigrants. They lived on the hillsides. And then there were riots that dealt with the KMT boosters rioting over something. So the British were always extremely concerned about security. They had a big enough problem without having that sort of thing. So they were quite concerned of losing control. When the riots took place during the cultural revolution it was very serious. They even had to come down to the Americans and said, they hoped the American businessmen would not leave. They must have had to swallowing a lot of pride, but they were quite worried.

Q: You left Hong Kong in 1970 and you were in the Department for a short time, and then off to Vietnam.

BELLOCCHI: Yes. I came here to take the economic course. I think it was a 22-week economic course. And then didn't have any assignment. I can't remember whether I was ever offered one. I must have been and didn't like it. But they were dying for people to go to Vietnam, and they were getting trained in the same place where the economic course was given. We'd just bought a house and I said, “Oh boy, the mortgage payments were...” So I said, okay, and I volunteered for Vietnam and they put us through this language training, which was a total waste of time. For someone who is really committed, just like I

had been for the Chinese language, that's different. But if you're just going there to learn a little bit about the language before you go off on an assignment, I really didn't get very far in the language. But that didn't matter, off I went to Vietnam very quickly.

Q: So you were in Vietnam from when to when?

BELLOCCHI: '70 to '72, and it was quite a shock.

Q: Where did you go?

BELLOCCHI: I was assigned first in the CORDS program for one year. I went up to Da Nang, and then to a small place called Tam Key, which is sort of a wide place in the Street Without Joy up there, in the northern part of South Vietnam. It was a shock because I had been to Vietnam many times as a courier when the French were still there. And the place that we were sent from once we got to Saigon, was Da Nang. Da Nang had been called Tourane and it was a beautiful little seashore village. Cathay Pacific Airplanes used to have to stop there on their way to Bangkok from Hong Kong. In those days propeller craft had to stop someplace; they couldn't go that far. It had been beautiful. And here I got out, and oh dear. I mean there were American military people all over the place. The first thing that happened, a bunch of kids came around, grabbed my watch and ran off. I thought, oh my gosh, what has happened to this place?

John Gunther Dean was then the sort of district director of CORDS up there in Da Nang. I went in to see him before going down to my place of assignment in Tam Key. The night before he had had a dinner for several Foreign Service people in I Corps. When I left the next morning he said, “The only advice I can give you, is that before you get on that little airplane (there was a little airplane to take me down to Tam Key)take a good shot of cognac.” I thought, what in the world is happening.

It turned out it was quite a place. We had defenses all over the housing area to protect ourselves. The area was controlled by the Viet Cong during the night, and we had it during

the day. If we wanted to go out to the boondocks, which I did on many occasions, the only question was, are you sure you're going to be able to get back before nightfall. It was quite an experience, I must say.

Q: Was this north of Da Nang?

BELLOCCHI: Just south of Da Nang. There had been some problem with the Americal Division whose base was on the coast. They had been pretty badly decimated. Units were still going out to the Triple Canopy jungle, which was not too far away, to set up outposts. Once you got away from the seacoast you got into that business. Having been in the military, I had been in the army in Korea, the state of our military there was appalling.

Q: This was at its worst, wasn't it?

BELLOCCHI: They were half-dressed and ill-shaven, dirty and undisciplined. I mean this was just unbelievable. You couldn't help but understand right away, why we had to get out of there or we wouldn't have an army left. There were a lot of things that happened during my time there. Of course, fighting still persisted in our province. I had an occasion where...a little boy had just been orphaned by the fact that some of our troops had been in and shot up the village. The parents had been shot as Viet Cong. And how could they possibly know who was Viet Cong and who wasn't? It was impossible. Some of the Vietnamese had weapons merely to protect themselves. Then somebody came who claimed she was the aunt of the little boy, and I guess everyone finally agreed that it was best that she take the boy. Whether she was the aunt or not, who knows, and what she wanted the boy for. That kind of incident is really sad. It was really clear that we had to get out of there.

Q: We were already withdrawing our forces, weren't we?

BELLOCCHI: Yes. But this was a part of Vietnam where there was still some fighting going on. Down in the south it had been much more pacified, but up in the north it was still risky

business to go out in these helicopters and little villages in the hills away from the coast somewhere. Everyone was fine and friendly but you better be sure you get back on that helicopter. They better come and pick you up or you're stuck for the night, and in bad shape.

Q: What were you doing?

BELLOCCHI: Well, CORDS, and I was the deputy, what they called province senior adviser. A military man was the senior adviser. You had AID people there, most of them were giving away wheat and helping start little projects. But by the time I was there, the Vietnamese province governors, or whatever they're called, chiefs, they had been handling groups of American advisers who'd been passing through that place for so long, that they sort of said, why don't you get over there and do your own thing. And that was really what we were doing, except some of our military, always very energetic, wanted to actually get things done. Occasionally they would join in on some clean-up operations out in the hills. On a couple of occasions I would jump on a helicopter and go out there, and actually do a little warring while I was there. I'm not particularly attracted to that kind of thing, but I was curious. It kept us busy, but I was quite anxious to get back to something I knew, and after a year when something opened up in Saigon I was delighted to go down to the embassy .

Q: Before we move down to Saigon, what was the morale like? The military was bad, how about within the Foreign Service people there?

BELLOCCHI: In the Foreign Service or AID, or any of those others, it was there for the money primarily. There really was not much enthusiasm. You didn't see any kind of dedicated people really out there that wanted to improve the livelihood of the people, and that kind of thing, no. They were there to put in their time.

Q: By this time, I guess, everything had been tried that could have been tried, wasn't it?

BELLOCCHI: They were pretty well along. The Americans in their own way had done a pretty good job in many ways. They did have these provinces organized. They had been pacified in some of these areas. But we dealt primarily with provincial militia. We didn't deal with ARVN at all.

Q: ARVN being the Army of the Republic of Vietnam, the regular army.

BELLOCCHI: We never saw them in Tam Key. We dealt with the militia, and the militia was there defending their own farm lands. So these guys were far more dependable frankly to work with than the ARVN who was out to see what they could get out of all this.

Q: Did you have any feeling—again, we're talking about when you were in the province—about corruption?

BELLOCCHI: Oh, yes. You'd load up a truck full of bags of wheat, and it starts down from Da Nang, by the time it gets to where it's going you've lost maybe 20% of it. They're paying off all the way down. Oh, yes, it was rampant all over the place. And even at that level I'm sure there was much bigger stuff going on above it.

Q: I take it at this point, even though you were part of the 12 years experience of a one-shot deal for your year there. Had people, I'm talking about the Americans, gotten pretty used to the way things were done in Vietnam, and not fighting the system?

BELLOCCHI: Not trying to change the world. Yes, absolutely. That's why I say there wasn't anybody there that was trying to change the world, not trying to change them. They were there to put in their time, and do their little bit.

Q: The peace talks were going on, but no great progress was made.

BELLOCCHI: Well, there wasn't progress, and it was still at that time the idea that we were leaving, but we were turning over everything to the Vietnamese to do the job. We'd

given the ARVN all of the equipment they needed. We'd established a civil authority in the provinces all over the place. The idea was increasingly, let them do it themselves as we leave, hoping that somehow they would be able to manage it. They called it “a decent interval.” I think there was a lot of enthusiasm for this idea. An awful lot had been done in that sense. There had been a lot done but it wasn't the time. To try to do that while they're still fighting a war was just, I think, beyond reason.

Q: Then you went down to Saigon. You were in Saigon approximately from when to when?

BELLOCCHI: One year up north and one year in Saigon.

Q: So this means '71 to '72. Who was the ambassador then?

BELLOCCHI: Bunker was still there. Sam Berger was the deputy ambassador.

Q: What was your impression of the embassy when you went there? Here you had been sitting in this little province and all of a sudden you're in...

BELLOCCHI: ...in the big embassy. My office actually was in the old embassy, and not in the new one, but of course we'd go to the new embassy quite often. Well, you're struck by guards all over, soldiers all over protecting you, and protecting the embassy—quite a large bureaucracy. The ambassador and deputy ambassador had sort of a coordinating office. Charlie Hill was one I remember. Hawk Mills was another one. They were fairly high level Foreign Service people. They were acting as coordinators just for the ambassador's office. And then you had the economic section that wrapped up the AID program people all working together. You had a huge station.

Q: Station being the CIA.

BELLOCCHI: It was very large. We'd been there too long. Even our political officers were getting wrapped up a lot with people trying to determine who was who. But also in the corruption and the high living that went on, mostly without their wives.

Q: I was there '69 to '70 for 18 months. It was not a healthy atmosphere.

BELLOCCHI: It was very unhealthy. I was very pleased because when I went down to Saigon, I was the only Chinese language officer in the embassy at that time, and Bunker wanted me to be sort of the liaison with the Chinese community. I was given the title of commercial attach#, but clearly there was no commerce being done there. It was a good title for working with the Chinese community. In that regard, my wife, who was set up in Bangkok, and it was agreed I could have her come down. There were only four or five of us that had our families in Saigon at that time. It was absolutely the right decision because all of our dealings with the Chinese...they're great party-givers, and the girlie restaurants are common in Cho Lon. But because I had my wife we did all of our entertaining and socializing with the Chinese community as families. And they, of course, were very accommodating in bringing their wives for a change to a party. But that made it much easier for me to conduct myself in the way we should conduct ourselves, by having the family there. It made a big difference.

Q: Because so much of what went on was sort of a bachelor existence. Americans aren't very good at this sort of thing. I mean, we either feel uncomfortable, or you go overboard.

BELLOCCHI: And we socialize a lot, so therefore it was a bad situation. Most of the Americans that were there were bachelors, but so many had people they stayed with. It was not a healthy atmosphere, and a lot of them got wrapped up in these things. I was just pleased that I could have the family there.

Q: Again, I want to talk about the '71 to '72 period. How could you characterize the Chinese community, and how did they fit into the scheme of things?

BELLOCCHI: They controlled the economy, of course, just as they do in most southeastern Asian countries. Many of them were very, very helpful to the Vietnamese authorities. Many of the Vietnamese and Chinese had known each other for years. I think many of them made themselves a fortune. But they also cooperated very much, and were very helpful. I remember one of the Viet Cong campaigns out in the countryside outside of Saigon. Several of the Chinese owned a lot of textile factories around the area. They kept their people employed even when they were not able to produce anything because of the Viet Cong interdictions in the roads that prevented any delivery of the goods. They just kept them employed. They were almost like the family, almost like the mafia type of situation where some of these guys are very important, and very rough, but they have a whole group of sub-businessmen that sort of rely on them. And these leading Chinese were very paternalistic in the way they dealt with their subordinates.

I can remember the Economic Minister asking me if I could help in talking to the Chinese community to keep the price of rice from increasing. It was during a Viet Cong campaign when traditionally the price of rice would start jumping up. And they did. And I think in that sense they were very cooperative. The leading businessmen all took care of themselves, and once Saigon fell most of them wound up in places like Hong Kong. They all had passports that got them out. So common. Many and most of them that went to places like Hong Kong, did not survive very long in the business sense. Their ability to make a lot of money, was in knowing the country, and the officials, and the human relationships. Once they got into another a Chinese area, where they could even speak the language, they didn't know how to operate and they lost their money very quickly.

Q: Did you see, because I think it has some pertinence to almost what is happening in the United States, the Chinese have this renowned ability to go in and sort of set up business, small stores, what have you. And the Vietnamese seem to be less, you might say, business aggressive. When I was there at almost the same time, there was great concern in Vietnam because we had a lot of what they called third country nationals, TCNs, and

among them the Koreans were coming in, and the Koreans are great business people, and they were pushing the Vietnamese aside, and also the Filipinos, but particularly Koreans. The Koreans also seem to have this instinct. Did you find this?

BELLOCCHI: The Chinese are entrepreneurial, it's almost part of the culture, and it has been for hundreds and hundreds of years. Yes, they're entrepreneurial, and because their society and culture is based on human relationships so intensely that they're the best networkers in the world. Even here in America if you go around the Chinese-American community, they have hundreds of associations. Chinese Americans join as many of them as they can, and they network around the country. I'm amazed when I go to meetings here, and find, hey, there's so-and-so from Chicago. There's another one from Atlanta. They get together all the time, they're networking all the time. That's their strength. And it's true in southeast Asia as well.

Q: Now you're at the embassy looking at the bigger picture and I guess you were getting some reflection although you were concerned with the Chinese element, what were you getting from your friends at the embassy, or dealing with the sort of mega situation, whither Vietnam? We're talking about '71 to '72.

BELLOCCHI: In that period of time, I think what I would say is the lower levels in the embassy and AID, and all the others, were still complaining about the corruption of Vietnam as if it was unique to Vietnam. Those of us who have traveled around southeast Asia know that it was part of the whole culture in the whole area. There was nothing unusual about the corruption in Vietnam. Number two, I think that by that time I was certainly impressed with the Vietnamese leadership of the ministerial level, for example. There probably was some corruption. I'm sure there was, but by and large I was impressed with how little there was. There were very many dedicated people in that leadership. I took part in the negotiations between the Vietnamese and some of our oil companies when they were starting to negotiate exploring out there in the area. Boy, it was really very straight, open, transparent. They were very, very careful to keep it very open and transparent so

there wasn't any corruption. I remember the Economic Minister was trying to keep the price of rice from going up, and he was always very open the way he was doing things. So I think there were a lot of our senior people in the embassy who had gotten to know the senior people in the Vietnamese government and had considerable confidence in these people. They were doing a pretty good job actually. It may have taken 12 years before it got to that stage, but certainly at that stage there were some pretty good people in the government.

Q: You're pointing out something that I think anybody who is looking at these oral histories, and later things, but it seems to me there's a generational thing. I was basically a consular officer, but had the same thing. After I'd been around for a while, I knew there was a certain amount of lying, and everything else in order to get a visa. But the young officer would come in and coming out of the American culture, horrified; somebody lied to me. Or somebody tried to pay me off. And after you've been around for a while, okay, it's just part of the game.

BELLOCCHI: It's part of the system.

Q: You turn them down, but you don't turn this into...I think the younger people tend to be terribly puritanical, because they're just not ready for this coming out of our society. Today it would be different.

BELLOCCHI: If you don't voice indignation, they take it to be an acceptance. It's not acceptance but you understand what they're thinking.

Q: So I think this is why often one will find many of the protests and the screams coming more from the junior ranks than the more seniors. It's not because the more senior is jaded, or less tolerant, it just understands the situation.

BELLOCCHI: It's just understanding. It's not just a morality problem, but it's an understanding of the problem.

Q: When you got on the plane at Tan San Nyut, you and your wife, what did you think whither Vietnam when you left in '72?

BELLOCCHI: Well, clearly we were leaving, I mean, the U.S. was leaving Vietnam rather quickly. I think there was some optimism that they would be able to hold out. I really do. I think that generally...maybe there was some secret assessments of which I was not a part, where they thought that they couldn't. But I think that by and large people at that time were thinking, we've done a fairly good job and we're giving them the wherewithal. Part of my job as “commercial attach#" was to take part in the local procurement program. Instead of buying things offshore for AID and all the other things that were going on, increasingly we were looking for local suppliers to do that so the Vietnamese could start to generate their own system. I think that there was some optimism that maybe they could hold out.

Q: I felt the same when I left in '70 too.

BELLOCCHI: It may have been unrealistic but it was the case.

Q: It was in many ways a military defeat too, which is always different from just a collapse.

BELLOCCHI: And that's why I think there's some criticism of a recent book of McNamara that he doesn't mention the Vietnamese, there were a lot of Vietnamese that devoted themselves completely to the cause.

Q: McNamara just came out with sort of a mea culpa book—this is Robert McNamara, Secretary of Defense for most of the Vietnam time, and which has gained a lot of attention, but it's all America, and it's all, “We did it wrong.” I think it's terribly limited but its gained a lot of notoriety.

BELLOCCHI: Yes, and I think it did not bring in the Vietnamese, and the amount of sacrifice that those people made. You know, wrongly or rightly, they did make an enormous sacrifice.

Q: So when you left in 1972 whither?

BELLOCCHI: Tokyo.

Q: What were you doing?

BELLOCCHI: The reason I'd actually left a few months early because the boss I had, the commercial attach# in Taipei, when I left, was then the commercial counselor in Tokyo. And he called down and said, “Would you like to come up to be the commercial attach# in Tokyo?” Well, of course, that was at that time the top commercial post of the world, I think. It was a big section. And I liked Bongard, who was then the commercial counselor, so I said, “Sure.” And we direct transferred up to Tokyo, and I became the commercial attach#, and wrote three or four papers about the Keiretsu, the old zaibatsu. And the papers that I wrote then, there were about four airgrams, were unclassified, and we passed them out to interested American businessmen. Fourteen years later one of the local employees came to Washington, I was here, and he said, “We're still using those papers out there as handouts.”

During my home leave from Tokyo I got promoted to FSO-2, under the old system.

Q: Which puts you into the senior ranks.

BELLOCCHI: Yes, but there wasn't that difference in those days. My boss there was retiring and recommended that I replace him. The Commerce people were apparently unable to come to a consensus on who it was they wanted to send out there. Though it was a common retirement position for commercial types, it was the largest commercial counselor job in the Foreign Service.

Q: So it was obviously where you wanted somebody who was full of piss and vinegar rather than as a retirement post.

BELLOCCHI: They wanted a retiree, but couldn't agree. There was a lot of infighting going on at that time over in Commerce. So as a compromise they accepted me as the commercial counselor. For an FSO-2 that was quite a job.

Q: I always like to get the time element. You were in Tokyo from when to when?

BELLOCCHI: '72 to '74. It was in '74 that I was assigned to the Senior Seminar.

Q: Who was the ambassador when you were in Tokyo?

BELLOCCHI: Ingersoll.

Q: He had a labor...

BELLOCCHI: No. Chairman of Borg Warner.

Q: I would imagine that he would be interested in the commercial side.

BELLOCCHI: He did have a lot of functions for visiting businessmen at that time. Oh yes, he was very, very helpful, and really very nice, he and his wife. So they used their facilities, their huge reception room in the residence for business oriented receptions. So, yes, he was very interested and very easy to work with.

Q: What was the principal work that you did? Both in commercial attach# and commercial counselor.

BELLOCCHI: Well, one was to try to come up with these analyses of why are these Japanese trading companies successful, and what do we have to learn from them. So I tried to do a lot of reporting and generate a lot of reporting on how they operated. And secondly, of course, was export promotion. And in Japan that was very important to try to break down. The economic people were trying to work back here with negotiations to break down the barriers. We even had a trade center, and we had shows going on all the

time, trying to increase our exports. Our biggest problem was the same old traditional one, the big companies don't need that kind of service. They know how to operate abroad. It's the middle and smaller companies that need it, and they wouldn't make the commitments to exporting in those days. I think the times have changed now, but in those days such companies looked on exporting as something they did when the domestic market wasn't doing well. If they wanted to maintain their production line, they would go into export. Then the minute the economy picked up in the States they would forget about exporting. And you can't really keep agents abroad doing your work for you very well if you're up and down that way.

I had an experience that was fascinating when Mitsukoshi, a big department store, came to us. Wine and cheese was a fad at that time in Japan. They said they understood that one of the big winery companies in California shipped wine in bulk in tankers around to the east coast, and bottled their wine in the east coast for distribution. And they would like to buy a tanker full of wine, and have it bottled under a Mitsukoshi label. In return, a certain percentage of their wine area in the stores would be for California wines. I mean we're talking about a tanker full of wine. So we tried to find, and get people interested, but could not find anybody interested in selling a whole oil tanker-type ship full of wine to Japan. Couldn't do it.

The next year, when I was in the Senior Seminar, we happened to stop out there on one of our trips to a California Wine Growers Association barbecue.

Q: I remember that.

BELLOCCHI: Yes, you were there, and they complained about not getting much help in exporting their wines. That was more than I could take. I got up and told them about my experience in trying to get a whole tanker full of wine. Their rationale was: “Well, but that was in a good year here in the States and we had the domestic market, we didn't have the wine available for export.” That's precisely the point about why they couldn't develop

their export market. So that was our main problem in that job, trying to get the American companies to understand there's a huge market there. But it wasn't free, they had to work for it.

Q: I had the same experience when I was in the Persian Gulf back in the '50s where Americans would once a year send somebody from Geneva through there, a small market, but it was obviously one that was going to develop. I was the economic/commercial officer in Dhahran, and they would come through once a year and they'd usually come through, they'd fly in on Thursday and leave on Saturday, and Friday was the day everybody was out. It was that type of thing.

BELLOCCHI: We did that. They were very unrealistic when they'd come to Tokyo and say they had ten appointments for two days in Tokyo. You know, that really didn't make any sense at all. Just the traffic in Tokyo alone assures you you're not going be able to have five appointments in one day. That was a major problem in our job.

Q: We're speaking today, where I think the President has signed an order putting prohibitive tariffs on certain Japanese cars, or threatened to. I mean, this goes on, but one looks at this where we feel, one, the Japanese market is closed, and two, we don't seem to be able to commit ourselves to you might say, hard selling within the area.

BELLOCCHI: Times have changed. I'm not suggesting the same is true today as it was then. But I have little sympathy, for example, for the automobile people who complain about the lack of an open market in Japan. A lot of it was due to two reasons in my time. One is, first of all they didn't make a car that was very sellable in Japan. I mean, the steering wheel is on the wrong side to start with. Secondly, they liked to use local dealers who would treat the American car as sort of a special fad car which did not mean a large market, it meant a high price. That's what it meant. So they didn't have the distribution system developed there that they should have. So part of it was their fault themselves. They really weren't developing the kind of market that they should be developing. We

used to complain a great deal about the distribution system in Japan. They're all mom and pop stores, and therefore they favored the Japanese, and our companies couldn't sell on the Japanese market because of that distribution system. Well here we are in the States trying to redevelop the local communities stores. They are now, of course, chain stores instead of mom and pop stores. Here we were looking the Japanese in the eye and saying, you've got to change your distribution system so that our companies can sell over here. And they're looking back at you, and saying, “Hey wait a minute, these people vote and I don't particularly want to change.” So in the commercial section we were looking at the Japanese side of it a lot, and trying to develop understanding back here. Whereas in the economic area, of course, they focused on the real obstacles to trade. There were plenty of obstacles to trade. There were non-tariff barriers that existed that had to be lowered. But time and again we'd finally get them to lower the beef quota, or shoes, or something and other countries would come in and sell. The Spanish would come in and sell the shoes, the Australians would come in and sell the beef, so all of our work would be for naught.

Q: You came back from '74 to '75, you went to the Senior Seminar where we were jointly then. Then where did you go after that, Nat, from '75?

BELLOCCHI: In '75 I began a year in Treasury in the OASIA bureau. The Congress was always interested in having Treasury do a study on why American companies couldn't sell more to the International Financial Institutions(IFI) development, like the World Bank in some of their projects around the world. So I did a year making that study on how we might improve our capability for getting American companies to bid on some of these big projects financed by the IFIs.

Q: What were some of the problems that you found?

BELLOCCHI: I'm trying to recall. In fact I still have that study stacked away someplace. I came up with different improvements that government could make in the services that it

provides. And I came up with other private sector initiatives as well. The most important part of it, I thought, was that if we could change our laws...I forget the names now of the different laws we had, that prevented our companies from getting together on big major projects overseas. They have since changed the law in fact to make this possible, that in exporting or in external operations our American companies can get together to jointly bid on some of these big projects. I'm talking about making it as much as possible like the Japanese trading companies. They do the bidding, but they have some of their own family companies, heavy industry and shipping, and insurance and banking, and all the other things that are necessary to put a package together for a large project. I thought we shouldn't try to mimic the Japanese. We don't have the large trading companies; but we do have commercial banks that are worldwide, and the same kind of communication system the Japanese trading companies have. They have all these customer companies that deal with the bank, from heavy industry, power, insurance, all these other sectors. Our commercial banks would be the best packager for these big major projects overseas. But it was necessary to have a clear understanding that it wouldn't get entangled in anti-trust suits by doing so. So I made some recommendations in that study that might make it possible to do. I think there has been some change in the laws since then.

Q: Then in '76, where to?

BELLOCCHI: India—Indja.

Q: You were in India from '76 to when?

BELLOCCHI: '79. That's when our three year cycle for overseas tours started. I was the economic counselor.

Q: How did you find India at that time? India is both a fascinating place, but for Americans I think Indians can be very difficult to deal with.

BELLOCCHI: Sure, but they can also be very good friends. You can make some good personal relationships. You can also meet many that have you crawling up the wall. But it's a big country, and they're not without their pride. I think that if you take that into account, you really can make some good friends. It is an open democratic country. I got there when Gandhi had declared an emergency. During much of the time I was there we were in this emergency period. Then she permitted open elections and got defeated. The Janata party won, and it was the first non-congress government that they had there, so all of that was very fascinating. Politically there was a lot of change taking place. Economically, still very difficult for American companies to do business there. And there was some animosity because there had been some rather unfriendly exchanges. India was considered to be too close to the Soviet Union as you remember in those days. They weren't really a friend even though they were a democracy. So there were these kinds of strains in the political relationship, but you still could do a lot of work there. I spent a lot of my time negotiating the reopening of our AID program.

Q: What was the situation in India? Why would we want an AID program at that point?

BELLOCCHI: Well, we'd had one. We had a very huge AID program there, and then we didn't get the right kind of treatment I guess. We thought they favored the Soviet Union, or whatever it was. We cut out most of our aid except for PL 480 humanitarian assistance. Our AID people were interested in getting back into the aid business in India, certainly a place that needed it. I think there were many also that wanted to reopen our participation in World Bank projects, for example, multilateral arrangements. Our AID people were more interested in the bilateral, but we at the embassy were more interested in staying away from the political problems that the AID program had had in the past, and that we join multilateral projects more than bilateral. It was about 50-50 actually when it finally came out. We joined some irrigation projects, but it was a long sticky process.

Q: Why would India...I mean it certainly had the intellectual know-how, why would it need AID projects?

BELLOCCHI: They needed capital. They didn't need the technical assistance. They're very capable in the scientific areas especially, but they needed the capital for things that had to be done, especially things out in the countryside, the irrigation projects for example, big infrastructure projects. They needed outside assistance, they needed capital, they needed some technical know-how. They didn't have the kind of companies that could do some of that kind of work. They relied mostly on multilateral AID so that they could maintain political control.

Q: Dealing with AID sometimes can almost be like a foreign power. I'm talking about the American AID program.

BELLOCCHI: You better believe it.

Q: Can you give your impressions? This is the first time you're really up against AID in a non- wartime situation. I mean, there you are, you're the economic counselor, and AID says, "We want to do some projects."

BELLOCCHI: That was by far the toughest task we had. Negotiating with the Indians was not easy. They're very good negotiators, and it took a long stretch of time. But quite frankly the differences between State and AID were far greater.

Q: What was our concern? I mean, what were the problems?

BELLOCCHI: Our objective was that AID didn't get back in the position they were in before, where they were so dominant in this whole area that it caused us political problems. The Indians do not want to have a foreign power telling them what to do. And AID was telling them what to do, and they had a lot of money to back them up. I think the concern of the embassy was that we restart the AID program in a gradual way, and we do

it to the greatest extent possible through multilateral rather than bilateral means to avoid the political problems of the past. And the multilaterals did a good job in those days. World Bank irrigation projects, and dams, and all these other things were pretty good. AID didn't agree with that, of course. They preferred the bilateral, and they wanted direct control over projects themselves. So that was our biggest battle.

Number two was the amount. I think State in those days said, let's start small because we feel that the aid to India process has got to be developed, and its got to progress gradually, or it's going to become an even greater political problem, so let's not go overboard. But in those days AID was thinking in terms of a billion dollar AID program again in India. No way did we want that.

Q: In a way did you have the feeling that AID was looking for a place to play after it lost its big ___ in Vietnam?

BELLOCCHI: That's right, and thank goodness Egypt came up and drained some of their attention to take the pressure off India. I was in Laos in the "60s when our military contingent left after the Geneva Agreement. Our military people left, our AID people came back in, and the influx of aid was so fast, and so large, that it overshadowed the departure of the military by far. They can really take over a place in no time at all.

Q: I mean this was very much in the mind, a large bureaucracy, and large bureaucracies cause problems.

BELLOCCHI: They're very good at this. I remember them going to a fellow at Yale University to come up with a study on why there ought to be a very large AID program in India. They searched around the country and got the kind of study they wanted and they had him write it. So we had to overcome that. My name was mud with the AID program in those days, but I think we succeeded. Bob Goheen was the ambassador who was born and raised in India. A former president of Princeton University. And he sided with us and helped us a great deal to keep the AID monster from taking over. As the economic

counselor in the embassy, my office was in a little portion of the new embassy we had there. The ambassador's office, the DCM's office, the reception area, and the conference room on one side, and on the other side was what was built to be the AID director's office with a little kitchenette, and a shower, and all this business, and a place for the secretary. The economic counselor had always occupied that little suite of offices. Why? Because when it was built the AID director said he wasn't about to move into the embassy. He had a much better office. So it was the economic counselor's office, it was quite an office.

Q: How about commercial ties with India?

BELLOCCHI: We had a commercial attach# in the embassy. But in those days, no, not very much. Coca Cola had been bounced out because they had done what they should do, they'd appointed an Indian director for Coca Cola India and he promptly got involved in politics. When Gandhi lost the election, boom, out he went, and Coca Cola was finished for some years. I think they're back in now, but there were a lot of problems for our companies. It was very difficult to do business in India.

Q: Was it because it was essentially a socialist type government?

BELLOCCHI: No, very bureaucratic. It was very, very difficult to weave your way through the bureaucracy. And there wasn't any great incentive to take in the American and foreign companies. It was still that great feeling that the foreigners would try to control their economy. They had a lot of barriers against that happening. The barriers, of course, prevented our companies from operating the way they wanted to operate. The fellow that was the head of the economic department in the Ministry of Finance, and the one we had the most to do with, is now the Minister of Finance, Monmohan Singh. A very bright guy.

Q: How about Soviet penetration of the market?

BELLOCCHI: They had that special trade deal with the Soviets, the Rupee-Ruble Trade, and we devoted a lot of time trying to figure out what exchange rate was being used

between the two so we could measure how much that was. The Indians took quite a beating on that, frankly, but they were paying off their military procurement salaries(?).

Q: Then after India, where?

BELLOCCHI: Hong Kong.

Q: Back to Hong Kong.

BELLOCCHI: It was my last assignment in Hong Kong. Tom Shoesmith, then the Consul General, called me in India and he said, “Would you like to come and be the deputy?”

Q: This was '79 to '81.

BELLOCCHI: I'd worked with Tom before. Tom was the DCM in Tokyo when I was in Tokyo, so he called, And I said, “Sure, I'd love to get back into the China area.” I went back to be the deputy principal officer, as it's called there.

Q: What does the deputy principal office...

BELLOCCHI: It's a separate consulate general. It was nominally under the US embassy in the UK, but actually it was one of the two, I think, Consulates General that report directly back to Washington.

Q: Jerusalem and Hong Kong.

BELLOCCHI: Yes, so the Consul General is considered a chief of mission.

Q: '79 to '81, what was the situation in Hong Kong?

BELLOCCHI: Well, by that time we were just opening up with China. Oh, the tales we would hear from Taipei on that, were really sad. I've always been affected quite frankly, even in my present job, by the very crude way we handled that situation in Taipei. I'm not

saying the decision was wrong. The decision, of course, was almost inevitable that we were going to be recognizing China. But the way we handled even our own people. I'm not talking about the crude way we handled the Taiwan side of it. That's politics. But our own people practically were treated like an enemy. Washington cut off communications, they weren't getting their pay. I mean, there was no rational reason why, just because they're in Taipei, our people should be treated that way.

I think if you talk with some of the people who were there at the time, they really felt that they had suddenly been cast out. It could have been done in a much more gradual way. It was a done deed. We could have just gradually brought our people out, made changes, developed a system. This organization I'm in now was just being developed. Instead we decided to lower the boom, bang, everything had to be stopped immediately, leaving all those people out there high, wide and dry. It was awful. We were just hearing about this in Hong Kong and the way it was being done. And then we were all finding all this business new. We could actually walk into the Bank of China lobby and look. That was forbidden territory before. And people were starting to go into China across the Lowu bridge, walk across the bridge and catch the train on the other side. It was really very interesting, and I got to know some, but not many, of the Chinese commercial people. Not like today, it was all strange for them too.

It was a different world, and Hong Kong by that time itself had changed considerably.

Q: In what way had it changed?

BELLOCCHI: It had become much more of a big metropolitan place than it had been in the past. They were tearing down buildings that were only 10-15 years old. I remember seeing the third generation building going up just across from the consulate, in that one spot. It was the third building that I knew of that was in that spot in the time I knew Hong Kong. It was going on all over the country that way, and there was big business going on. Hong Kong had become a very important entrepot. So it was much busier, the

American Chamber of Commerce had grown enormously at that time. We spent a lot of time promoting American business. As I recall, we had something like 16 different U.S. government agencies in Hong Kong, all with regional responsibilities, because you could fly in and out of Hong Kong so easily. Everybody seemed to have a regional office in Hong Kong, and trying to keep all those people together in some fashion...frankly I think we only had a broad country team meeting maybe a couple times a month because it was huge. And nobody ever said anything, because nobody knew what the other guy was doing anyway half the time. I suspect there's quite an exodus now.

Q: What was the feeling towards the unification with China?

BELLOCCHI: Oh, you mean Hong Kong's unification. When I was there it was still a little bit down the road. But Hong Kong never operated very long on a long term anyway. Even the business community always looked at the next two, or three, or four years and expected to get their money back. So when you're talking about 12 or 14 years down the road, that's long term. Even things like the tunnel...for years and years in Hong Kong you'd hear about the need to build a bridge from Hong Kong to Kowloon, etc., and nobody would ever build a bridge. And then they talked about the tunnel, and the government certainly wasn't going to come up with that kind of money. They didn't do things like that. If someone wanted it, the private sector would have to do it, and they did. A group of them got together, and I remember watching how they were lowering those things in the tunnel when they were building it. They opened that tunnel after I left but in subsequent visits that I made there, I was told the companies that invested in that first tunnel got their money back the first year. They were just coining money, and it was all private. Incredible.

Q: How about China watching during this '79 to '81 period?

BELLOCCHI: It was still there, but I think there was a larger effort now to justify its existence because suddenly China had opened up and you could go inside and see these things. But I think at that time still, after the initial urge of saying, “Okay, let's shut down

and move up to there", there were second thoughts. First of all, there was no place for all these people up there in Beijing. Our people were living in the hotels. And secondly, there was beginning to be an understanding that even if you're there you don't know too much about what's going on. It's such a closed society that you could probably see even better from out in Hong Kong than you could up there. So, the China operations continued. It was somewhat smaller, but it still continued quite a bit. As far as I know it still does.

Q: Were there any great events during this particular time that really impacted on you?

BELLOCCHI: That impacted on us? I can't think of any that took place.

Q: This is the Carter period still.

BELLOCCHI: No, Carter came to India while I was in India. I remember the campaign because the American business community out there was very heavily Republican in the campaign. So it straddled Carter and Reagan.

Q: Was Reagan elected when you were there?

BELLOCCHI: Yes.

Q: He had been from California, a right-wing conservative, and very tied to Taiwan. For years this had been an act of faith. How did you all, dealing with China, China and the mega picture, feel about the advent of Reagan?

BELLOCCHI: There may have been some thinking, but I don't really recall much discussion of that. Taiwan was still Mars from the standpoint of the Hong Kong perspective. It was really someplace else that didn't attract attention. So even within the consulate I don't think there was all that much discussion of, what does that mean for the China relationship? And I was back in Washington by the time the 1982 communique was signed.

Q: I'd like to backtrack quickly. You mentioned you were in India when Carter visited. Presidential visits are always interesting. Can you tell me a little about your experience?

BELLOCCHI: Yes, it was hilarious because I was acting DCM for a while at that time of preparing for the visit. We were notified that Carter was going to stop. They told us that he would have, including newsmen, around 250-270 people with him. So I went over to the protocol officer, I remember his name was Peter Sinai, who was later, I think, DCM here in the Indian embassy. I talked about the visit of Carter. They were happy that Carter was going to stop in Delhi, and I said he was going to bring 270 people. And he said, “What! 270 people, where are you going to put them?” Well, I said, “I hope we can get a hotel for them, and we'd like to have them all together.” He said, “That's impossible.” And he named the different hotels that they had, and he said they'd have to be broken up, we can't possibly just move out people. But after a week he finally called and said, “Let's get together.” But before I went out there I had gotten a message from Washington that there were going to be a few more. So when I got over to Peter Sinai, he said, “Well, we've struggled and we've finally got rooms in the Ashoka hotel for 270 people.” And I said that I had just gotten a message that there would be 525 people. He almost fell off his chair. Anyway, it was unbelievable. The only thing they could finally do was just take over the whole hotel. They had to move all these people out, and it must have created havoc for the tourist industry.

In addition to which the press, of course, was going to be at a hotel. We had to lay a cable from the embassy to another hotel, not too long a distance, about 2 or 3 blocks. But they actually had to dig a trench, just like we do in laying cables, tear up the road and laid a huge cable from the embassy to the hotel, and then resurface. All of this had to be paid for by us. The Indians weren't going to do it. They said, you want it, you pay for it. We had to lay that cable for communications. All that enormous undertaking for just a two day visit.

The Indians have the Rashtrapati Bhavan as their presidential palace, built by the British. The Viceroy used to live there, a huge place. Half of it is the residence of the president

of India, and the other half is the guest house for state visitors. So Carter was put in the guest house, in the Rashtrapati Bhavan. All the security people, ours and theirs, were all around that place. In those days the Minister of Health in India, I can't remember his name, but he was a character - he used to wear a woman's stocking on his head - but not a dummy by any means. He was a bright guy, but he was just an eccentric. He would make these speeches that always got news play. Here's Carter in the Rashtrapati Bhavan, and he'd had a certain hour to rest, and he comes out after his rest period, and said, “Who was that fellow who was in there talking to me?” The Secret Service just about flipped. It was the Minister of Health, and he'd walked in to the Rashtrapati Bhavana through all the security people, walked into the suite with our President and spent an hour talking to Carter. Anyway, it was one of these hilarious things. He was a harmless fellow. He had an interesting conversation with Carter, and Carter didn't even know who he was talking to.

Q: Back to Hong Kong. As you say, everything was short term there, but was there a pretty solid cadre of China watchers?

BELLOCCHI: Oh, yes. You mean in the consulate.

Q: Looking at it from an administrative point of view, you must have had Hong Kong Chinese who'd been working there for so long that you never could move that apparatus because they wouldn't move up to Beijing. From looking at papers and the whole thing, in many ways I would think there probably would have been even more work because you could get more stuff out of there.

BELLOCCHI: You could get more stuff out, but of course, they did some of it up in Beijing, and then they shipped a lot to the States. The budget problem was such that they couldn't increase the staff. Washington was always cutting. There was still plenty of reporting although less than the major newspaper that we used to read all the time, The People's Daily, and that was easily accessible up in Beijing. But there was still a lot of...

Q: ...provincial reporting.

BELLOCCHI: ...provincial reporting and all the others that still had to be done.

Q: I was thinking we might cut it off at this point. You left Hong Kong in '81.

Today is July 5th, 1995. Nat, we've just gotten you out of Hong Kong and you're back in Washington in INR. You were in INR from when to when?

BELLOCCHI: '81 until '85.

Q: What were you doing in INR?

BELLOCCHI: I started for the first few months as the deputy assistant secretary. In those days the DASs were called deputy assistant secretaries, but the head of INR was still called director. That was later changed to assistant secretary also, but we were called deputy assistant secretary, and I was the deputy assistant secretary for long term analysis. That still was a part of INR that they were reluctant to do away with even though it was continually shrinking as the current analysis took more and more of the resources.

Q: It sounds like a certain amount of duplication with the Policy Planning, maybe not in reality.

BELLOCCHI: Except for the one big factor that you must always keep in mind. Intelligence should not get involved in policy recommendations. It should be straight reporting only. Only the bureaus and Policy Planning can recommend policy. So therefore, there was always that difference. But the fact is that the function of INR, which started out as long term planning only, with the intelligence community taking care of current analysis, increasingly got involved in current analysis itself, and less and less in long term analysis. That is now increasingly being done over in the CIA. I was there for a few months and

then the DAS for current analysis left, and I was switched over from long term to current analysis. And that's where I spent most of my time in INR.

Q: As you saw it at the time, we're talking about the early "80s, the Reagan administration is just in, you've got a very controversial figure over at the CIA, William Casey. Where did State Department intelligence research fit into this mix as you saw it? In the first place, who was the director?

BELLOCCHI: Montgomery, who was from the CIA, but politically appointed to be the director of the Bureau of Intelligence. In fact, while most of our Foreign Service colleagues grumbled at this idea, he was quite good for the purpose INR was intended. Too many in the Foreign Service like to make INR an instrument of support for policy. But he very clearly kept it separate. As an old intelligence officer, he was absolutely sure, to make that clear. And I think it worked very well because of that. But as to where INR itself fits, it's a member of the intelligence community, but of course, a very small member because needless to say other members are rather large and have considerable resources. But because we were small, I think we were a highly respected element of the intelligence community.

We, for example, did the morning summary for the Secretary. The Secretary of Defense, the Vice President, the head of CIA, and the head of NSA,: all wanted a copy to know what the Secretary was getting. It was six pages typewritten every day. It wasn't fancy, it wasn't printed, there was no color, there was nothing. It was just six typewritten pages, and because of that it had a much bigger impact on the top level readers of intelligence in this town because it really was seen to be a product of analysts sitting down and saying, this is what I think is important for you to know, Mr. Secretary. It was not the sort of polished things that made it look as if its been really worked on so much that its lost its punch. Our position was that we sat in on the intelligence community meetings, and when estimates of national intelligence were made, the INR took part in drafting up these. We seldom were the chief drafters simply because we didn't have the resources. That always put us

at a disadvantage because, as you know, drafters of all reports usually have a very big advantage. But nonetheless, in the Casey years, he accepted that when an element of the community could not agree, footnotes would be permitted in the estimates. And you could be sure that about 90% of the time there would be footnotes, and I would say that of the 90% of the time, 75% to 80%, it was INR that had the footnote. But he permitted that, and thank goodness because we really disagreed many times in those years. There was an inclination by the leadership over there to get...

Q: Leadership where?

BELLOCCHI: CIA...to change the summary. When you have an estimate, the summary, in the two or three pages at the front is what everybody reads except the analysts way down at the bottom who read all the details. So Casey was never concerned about what was in the body of the estimate, but he was very concerned about what was in the summary. I've heard stories of him taking a yellow pad home and rewriting the whole summary itself to be sure it said the things that he wanted to say. I think him being a member of the cabinet was not a good idea. I think there was too much of an introduction of policy into that. And I'll never forget...I used to have to sit in on some of the intelligence community meetings at which the next estimate would be discussed. It was usually attended by the director of INR but when he was gone I would sometimes go over. And I remember one on Libya. As the discussion took place, first the man that wrote it made his presentation, of course in very glowing terms about how accurate, and how sound it was. Then the number two of the agency stood up, and agreed wholeheartedly that it was a very sound estimate. And then it started to go around the table, and every member of the intelligence community, which is a rather large group, all stood up and said it was a great assessment. I had instructions from my people to say it was a disaster.

Q: This was on Libya did you say?

BELLOCCHI: Yes, on Libya, and especially on its relationships with the Soviet Union at that time. So it worked itself around the table, and there I was about the second to the last one to speak up, and I had to say, I forget what they used to call him, Mr. Director whatever it was...Casey was there standing up heading the show, and clearly very much supportive of that estimate. And I was saying, “INR wants this returned for further study.” And he just went right up through the ceiling. “What? How can you do this?” I knew when I said it that that was going to happen, and eventually we agreed that we would put in some footnotes as to why we thought this was not a sound estimate, and he accepted that. It was an example of the politicalization of intelligence.

We'd had a lot of stories in INR. It was a very, very eventful time.

Q: Can we talk about some of these? Some of the issues that I think about, Libya is one, Lebanon, Israel, and of course, Central America, and I guess there were probably other ones.

BELLOCCHI: We were at odds with the regional bureaus on every one of those issues.

Q: Why don't we work geographically. Let's start at Central America. We're talking about a time when we felt Nicaragua was under the Sandinistas and we felt it was trying to upset the regional balance, and President Reagan was vehement about talking about if the cancer spreads, Brownsville, Texas is next. And things were being done there and support, all of which ended up in the so-called Iran Contra affair which became a criminal problem. Could you talk about INR's role?

BELLOCCHI: I knew a little bit more about the others. The reason I don't know as much about Central America, is that Hank Cohen who was the senior deputy in INR at that time, knew a great deal more, so therefore I would always turn to him and say, “What do you think of this?” But by and large, we were opposed to the support given to the Contras. Our analysts were coming up with sufficient analysis on the weakness of that machine down in

Nicaragua, and sometimes the softness of the intelligence that was being used to support them. Such as the mining incident, for example.

Q: This is the mining of...

BELLOCCHI: ...that small harbor.

Q: Something which raised hackles all around the world because it went against international law.

BELLOCCHI: But you know, one of the things that I do remember about Central America was the difficulty of handling sensitive intelligence in this day and age. You know when there was a time...the papers were full of a ship that left a certain harbor in the Soviet Union, the Black Sea, which was the traditional harbor for weapons that were being transported to third world countries. Most of it went from this particular harbor. And intelligence had picked up boxes that normally carried MiGs on this ship, and as it left the Black Sea and went into the Mediterranean it headed west. Already there was speculation that these were MiGs meant for, I guess it was Nicaragua. And as it wound its way through Gibraltar and out into the Atlantic, somebody was paying attention and we would get first thing in the morning, hot news on exactly where that ship was and where it was headed, and any kind of official details on the shape of the boxes and why they were sure they carried MiGs. And every morning, before 9:00 I would get a call from John Scali of ABC news, and he said, “I understand” and then he would start explaining what I had just read in a very super sensitive cable. I thought, “Oh my gosh, how is this guy getting this kind of information?” So, I think Secretary Shultz from time to time talked about the fact that the world has become such an open place in terms of information, and it's very difficult to conduct foreign policy when it was being reported that quickly in the press, when you yourself had not yet decided what it is you're going to do, or how seriously you should take it. Here's the press already talking about it. So that was one of the things I always

remember about the Central America period. But clearly our people were making ARA quite unhappy with the kind of analysis that we were going up with in INR.

Q: Why would you be at odds with ARA? Was it because ARA had become politicized, or was it just a different perspective?

BELLOCCHI: It's a different perspective. You have to understand, we're often at odds with most of the regional bureaus because they have an added responsibility. They not only analyze, but then they have to decide what it is you should do about it. So they then have to take what is always imperfect in terms of information, and say this is what our judgment is, and on that basis we recommend you do such and such in foreign policy. We never had to take that responsibility, so we could be much stronger in saying, this is soft stuff, this is the reason why it might not work because of this. In other words, we were on the margins nitpicking the regional bureaus. So it was very difficult for them to make recommendations to the Secretary when he himself had some other information that said, you better be careful, this may not be exactly accurate. Even on that basis alone, the regional bureaus would have problems. But I think there were times when that would make quite a difference. If the bureau is saying that this is what has happened, and INR is saying, well, we're not really sure it happened that way, it might have happened this way, which is equally plausible, then the bureaus were under the gun.

Q: You have already alluded to this, but let's say on this particular thing, Central America, that whatever was coming out of the CIA went through the Casey machine. In other words, this was not an intelligence agency sitting down weighing the evidence and saying this.

BELLOCCHI: Oh, I think it was highly politicized at that time. I know that our people always worked very...you know, analysts work with other agencies, they call each other, they talk to each other. Certainly we understood that the analysts over in the agency weren't terribly happy with what seemed to be coming out of the top. It wasn't exactly what it was they

started at the bottom, but that's always going to be the case. In any event, I think it was much stronger during those years.

Q: We'll stick in ARA for a bit although this was not your bailiwick. How about Cuba? Were we looking at Cuba closely, whither Cuba? Or anything like that?

BELLOCCHI: Well, occasionally, yes. Because there was no fighting, or crises at the time. It was a more normal type of reporting.

Q: How about the Malvinas, Argentina, the Falklands, because that became quite a hassle really in a way with ARA and the European, and NATO. I mean, do we support the British in this grab?

BELLOCCHI: As I recall, the reporting that we were doing on the Falkland issue was quite objective, and that is sort of a “pox on both of them.” The Argentines were like Don Quixote, and the Brits were not holier than thou by any stretch of the imagination. I mean, sinking that ship and so forth...

Q: The cruiser.

BELLOCCHI: Yes. I don't think that INR played a role. It tried not to take sides in any event, but I think in that case it sort of put a “pox on both houses” type of thing. Both of you are doing the wrong things, but straight reporting pretty much. I don't think we undercut either of the bureaus in that sense. I think we were more just reporting as it is and the bureaus had to explain it. I had the sense the administration itself was sort of caught in that one, a little bit unsure of itself.

Q: Libya was a real thorn in our side at the time, supporting terrorism. In fact we bombed it at one point. Was it on your watch that we bombed it?

BELLOCCHI: I think it was.

Q: How did INR look at the role of Libya?

BELLOCCHI: I think the INR position on Libya was that it was more of a loose cannon that was a problem for everyone. But the difference was that we thought it was also a problem for the Soviets.

Q: We, you mean INR thought it was a problem for the Soviets. Getting the Soviets into trouble by being...

BELLOCCHI: Yes. What Qadhafi was doing was not dancing at the end of a Soviet line. The Soviets themselves were more stuck with someone like Qadhafi because he could do some of the things they wanted as long he kept churning the waters in Africa. He was fine for the Soviet Union in that sense, but they were uneasy because they didn't know what the devil the man was going to do. I think, especially Mr. Casey at the top, was much more wanting to show that he was performing a function on behalf of the Soviets. Whereas I think INR's view was that he was doing things that the Soviets were not opposed to, but they did not have that close a control over what he was doing.

Q: So this is where much of the dispute came.

BELLOCCHI: The difference there was to what degree is Libya dancing to the Soviet tune, and the view in INR was that he was doing a lot of things independently of the Soviet Union. He was doing what he thought was in Libya's interest. He was a loose cannon.

Q: We were at a time when the Middle East was really boiling over. The thing that started everything was the Israeli invasion of Lebanon which really turned...in the first place, we'll focus first on Israel. Israel has always been a problem for the Department of State, or any other government agency because of the very strong Jewish lobby which means that things leak. Congress gets very upset if they think they're going to lose the Jewish vote. How did INR look at Israel? Were we getting good information?

BELLOCCHI: I think it was good information, but I think it wasn't so much...at least in INR, the political differences within the country over whether or not we should be supporting Israel, or to what degree we should, etc. I think there were differences even within INR, but they were really fundamental intelligence differences, analysts differences, that some would put in an analysis that really shows the rationale for what the thinking was in Tel Aviv. And then there were those who were putting in analysis on what the thinking was in Lebanon at that time. And I think there were differences even within INR on some of those issues. I think our real focus, though, was more on the Lebanon civil war itself. There, I think, we really got into serious problems.

Q: Could you explain a bit about the background, and then INR's role, CIA's role.

BELLOCCHI: To be perfectly honest, I can't remember what CIA's thrust was on a lot of these, although I don't think they were too different. I just remember because it caused a considerable heart burn in INR with the Marines being in Lebanon during the civil war. They went there as a peace force.

Q: First they went in just to help evacuate the PLO, then after the Sabra-Shatila massacres by the Israeli's sponsored Christian Militia, Palestinian families, we put them back in in sort of an amorphous role.

BELLOCCHI: Yes, and that was the problem. I think the administration and the bureau was supporting very strongly the idea that they stay there. That they were a symbol of our involvement, our withdrawal of them would cause all kinds of problems. INR took the view that they should be out of there, that they were a sitting duck, and that they had performed the original function they went in there with, and we should get them out because they were in a dangerous position. But the Department would not budge on that issue.

Q: Did you have the feeling that George Shultz, being an ex-Marine...there was almost an emotional thing, didn't want to withdraw the Marines.

BELLOCCHI: I don't know whether that was the factor behind it. I really don't know, but certainly they were against withdrawing the Marines, and we were continually peppering them with analyses, that they were in a dangerous situation, they should be withdrawn. And then it happened.

Q: We lost over 300...

BELLOCCHI: The thing that I'll always remember about that, is how quiet we trod the halls of the State Department for two or three weeks until all of that died down. There's nothing worse than to say, I told you so. Nothing worse than to be right. Everybody had to walk with great care during that time.

Q: Let's talk a little about this Lebanese thing. It's very confusing for everybody, including the Lebanese and Israelis. Did you find that you were getting a lot of information from the Israeli intelligence which you had to treat with great caution?

BELLOCCHI: No. We had some real pros, and I think some of them are still there on the Middle East in INR, mainly because that conflict is going on for so long. I think usually the Israelis think the State Department is anti-Israel anyway. And the reason is, I think, that they really did make an assessment on the kind of intelligence they were getting from the Israeli intelligence to be sure they weren't being boondoggled into doing something. So no, I don't think INR was overly influenced by Israeli intelligence. I think they took whatever they said seriously enough to want to look into it, but they didn't accept it carte blanche.

Q: How about the Defense Intelligence Agency, DIA? For that particularly, and then in general.

BELLOCCHI: Well, in general to be perfectly frank, they were kind of dismissed in anything except how many cannons does so and so have. They call it the order of battle. The order of battle we would have to pretty much accept what they were giving, but once they would

get the least bit into politics, they were just dismissed. They were not considered serious political analysts.

Q: Did they come on strong in their political analyses?

BELLOCCHI: Not really, but they would come in with their own view which people simply wouldn't...in terms of national estimates you wouldn't see that because the national estimates on political issues of that kind were normally given to one of the other agencies, and if there was a national estimate that dealt with military capability, it wasn't INR that had to do the major fighting, it was the CIA versus DIA and we were sort of on the side line. But there were times when we would inject ourselves, as small as we were. I remember a case where there was some concern about Soviet MiGs, advance model MiGs, in India, and that suddenly they did not seem to be where they normally were. I think it may have been DIA that started the thing that they must be up to something against Pakistan. At that time Pakistan's work on nuclear capability had already begun. So there was great speculation that the Indians were about to take after Pakistan's nuclear facilities. We only had a couple of people who were photo analysts, and they came from whatever organization that is that does the analyzing of photos, but they were in INR. They were on loan to INR, so I guess they caught the fervor of criticizing what comes from other intelligence agencies. And they looked and looked and they couldn't go along with this analysis, and it kept coming up in the NID, the National Intelligence Daily, that's put out by the agency. It kept coming up that there's big concern, and our little blurbs and our little typewritten pages at the bottom were always saying that there's some doubt that this was the case. There were all these reasons, there was cloud covering, you couldn't see it very clearly, all these things. And then finally one day the fellow from that photo group in INR comes rushing into the front office with a photo, and he said, “Look at that little tiny needle sticking out of that hangar. That's a MiG. They are still there, they never left.” So we were able to dismantle that whole idea by just that one little guy looking at that little needle sticking out in the hangar, and

saying, “No, they haven't moved. They've just been pushed inside the hangar.” These are the things that made us proud.

There was another thing that made INR very proud. I'll always remember Peter Burleigh, I think he's just been selected ambassador to some place, but was DAS for Personnel. He was then in INR, and Vice President Bush...I think the King of Nepal or someone like that had come, and as you know, the White House gets people to go over to the White House lawn to welcome the visitor. And Peter went over because I think he'd been in that area. He wound up standing right next to Vice President Bush, so Bush introduced himself, and Peter introduced himself from INR. And the Vice President, who reads the Secretary's morning summary all the time, said, “Oh, you're from that organization that puts out the Secretary's morning summary.” And Peter felt like somehow disappearing into the grass because at that time we were really differing with policy on the Middle East. And he said, “You really do differ with us on the Middle East.” And that's when Peter said, “Oh, Christ, what am I doing here?” George Bush said to him, “Don't stop writing. We disagree with you but we need that kind of analysis. You just keep right on writing what you think.” And Peter sort of floated back to the Department to tell us in INR what he'd just been through. It was very nice.

Q: Alexander Haig came charging into the Department of State, charged out rather quickly, but how did he relate to INR, as a military man?

BELLOCCHI: He had a respect for INR's product although I think that he put much more weight on what was coming out of the agency than he did on INR. Shultz put a lot of credence into what was coming out of INR. In fact, he read the morning summary every day in the car on his way to work. Security people would pick it up, and he read that first thing before he'd read anything from the agency. But not Alexander Haig. I think he took it all in, but he been accustomed to that. He didn't make that much of an impression other than you had no doubts of where he stood on an issue. If you sent something up he didn't like, he would scratch all over the margin to let you know how badly he thought

it was. Shultz would never write, it would be so unusual that everybody would talk about the fact there were some few words written on the margins by Shultz. Alexander Haig's attraction that everybody wanted to hear about everyday, was what he said at his staff meeting because he was so open. Here was a large staff meeting which he had every day, with people from all over the place, and he would just talk so openly about everything, including personalities or anything else, and how dumb he thought this guy was, and then, of course, the next day needless to say it was in the Washington Post. But it didn't seem to bother him at all.

Q: What about the influence of the National Security Council? Did you feel that at all from where you were? You had a sort of peculiar National Security Council. You started off with a man who left rather rapidly, Richard Allen. And then you had Judge Clark, McFarlane, Poindexter.

BELLOCCHI: They were much more involved with policy people than with the intelligence. I've since felt them a great deal more, but in that particular job, no, they would not get into that.

Q: What about the Soviets in Afghanistan when you were there? How was our information? This is sort of CIA country in a way, but what were you getting on that?

BELLOCCHI: The major issue that I can recall was the delivery of weapons to the Afghan rebels.

Q: Particularly Stingers, and helicopters.

BELLOCCHI: Stingers were the big issue at that time. INR by and large, as I recall, was critical of the passing of Stingers on to them because we were reporting that some of them were finding their way down into places like India and Pakistan. It was an operational thing that was being conducted by the intelligence community in which INR was not playing any role. Since we don't have any money, we never get involved in those things. We can only

report on them. I think that by and large we were critical that this thing was beginning to get out of hand. I think we were also obliquely critical of the method that was being used, which was largely to depend on the Pakistani to take delivery and pass them up to the Afghanis that they wanted to get. So there was quite a bit of reporting on that.

Q: Our main subject was the Soviet Union. And the Soviet Union was within, by the time you left, five or six years of collapse, absolute collapse, and yet the intelligence community —I'm talking about the full intelligence communities—somehow wasn't picking this up. Or maybe nobody was picking this up. What were you getting from the Soviet Union at that time?

BELLOCCHI: I think most of them was acceptance of the analysis being put out by the large agencies. After all, if you wander over to Langley, or out to Fort Meade, or places like that, you'll hear our 120 analysts...

Q: Fort Meade is a National Security Agency, which is basically the eavesdropping thing then and the satellites.

BELLOCCHI: All of that, the electronic intelligence, as well as the human, all of this thing, there was such an enormous number of people covering these areas. You know our analysts for the Soviet Union, of our 120 maybe numbered 10 to 15. We were in a different category entirely so we had to accept an awful lot. I think our better area was the fact that we had two or three Eastern European experts in there who did a lot more reporting on the problems of the Eastern European countries in those days. I can't remember us being that much involved in saying that the economy ain't as strong as it used to be, because we simply had to rely on other intelligence.

Q: It does seem like we were all sort of victims of almost the military side. It was a very powerful army. Just people who came back from the Soviet Union, tourists would say, "Gad, we can't even get soap in the hotels."

BELLOCCHI: That's economic, that's where we failed, really on the economy because they had a lot of troops, there's no question of that, and weapons being shipped all over the world. But where nobody seemed to sense this, that it was all based on a soft economy which was about ready to collapse and nobody could tell.

Q: In a way the normal tourist was coming back and saying these people can't be ten feet tall. If you have to stand in line to buy bread, what the hell kind of an organization is this.

BELLOCCHI: The military just bamboozled everybody by its enormity, but the fact that they were maintaining that thing at such great economic expense they couldn't afford to keep up, didn't really come across.

Q: Did you find that INR had much of an economic filament to it?

BELLOCCHI: No. To answer your question we were organized within INR just as the State Department is organized. We had little offices for each region, and then you had some functional offices—economic was one of them, and global issues was another, for example. But no, our numbers were far too small. The economic office probably had four or five analysts at the maximum to cover the whole world. You really had to rely a great deal on everything that was being filed from elsewhere. Only rarely could you get back a wait a minute, I think this may be going off, type of report. I had a meeting with the office directors of each one of the regional and functional offices every morning, and decided what it is that we should give the Secretary. These directors, by and large, were very good. We had a mixture, maybe they still do, of Civil Service and Foreign Service people. We were very pleased to have that mixture giving us continuity and freshness flowing through INR all the time. But it was the Civil Service people who had been there for years that could stand back a little bit and say, wait a minute, look at the long term trend of this thing, and then inject that into the daily current analysis that was being done. The Book, as we called the Secretary's morning summary, really was the center piece of our reporting, although we sent a lot of memos up to the Secretary on individual matters as well. The

Book was prepared seven days a week. It went to the Secretary first thing in the morning, as I said. It was six pages long, the first three pages were called the front of the book, and these were little items of intelligence news. I would say, I'll give you an inch to tell him what the news is, and one inch to tell him why it is he should be reading it. So it was two inches for each item, there would be four or five on a page, and there would be three pages of those. And then there would be three one page analyses in more depth on any particular issue that was going on, called the back of the book. So in the morning meetings that we had, we would decide on what issues: one, what pieces of intelligence were important enough for the Secretary to know; and two, what were the three pieces of analysis we should be giving him in a little greater depth. Each page in the back of the book had a little summary at the top. So you talk about really shrinking an issue down so it fit in one page, and then further shrink it so that little paragraph at the top would tell the Secretary, here's an important issue that you should focus on. It was very good for us. I find that even today in my work, going out to Taipei for example, spending two weeks talking with the leadership, all of the leaders of the country in all the different areas, business, academic, as well as government, and then coming back and sitting down and writing the report that you're much more able to stand back, you don't get mixed up in that daily thing, stand back and say, where is it going? That was the constant theme.

Q: Were you able in INR at this period to escape from the tyranny of the Washington Post and the New York Times? Because there's a tendency of almost all policy makers to look at what's on the front page is what grabs their attention.

BELLOCCHI: No. I think that probably more gets to the regional bureaus than it does to INR. If it dealt with something that was intelligence, of course there would be a reaction trying to explain it to the upstairs. But, by and large, no, we didn't get caught up in that.

Q: You left INR in 1985?

BELLOCCHI: Yes, Botswana...

Q: Where did you go? Oh wait, one last thing on INR. What about the Far East? Let's talk about that.

BELLOCCHI: The bloody battle of the IDF for Taiwan. The Indigenous Defense Fighter. There were a lot of other issues dealing with that, but that's one I remember because I've always been interested in the China-Taiwan... I always remember one thing that came up was the battle over the IDF, whether or not we should sell Taiwan the technology to build its own defense fighter. For years they had been stamping their feet that they needed a more up-to-date defense fighter. They were still flying 104s and F5s, and they wanted the F-16s. This was 1983, around there, '83-'84 time period, and it wasn't until ten years later that they finally got the F-16s. But in the meantime there was this proposal that we would transfer sufficient technology, in a sufficiently controlled environment, for them to produce their own. It was a very, very bitter struggle coming after the 1982 communique in which we had promised the PRC that we would gradually, over a period of time, reduce our arms sale to Taiwan. With that in mind, of course, Taiwan was really very concerned about the whole idea that they could maintain their defenses as a basis for some confidence, in one day being able to sit down and discuss the future with the Mainland. So there was a policy struggle that went on for some time. But the analysis that would come up to me on that really made me very unhappy. After all, some of our people in INR, Foreign Service people, are influenced by the fact that one day they're going to have to go back to the policy bureaus. They know where policy is running, and sometimes they might want to lean in the direction of policy. I remember getting one analysis saying this was a very serious matter, that the IDF fighter planes over Taiwan would be a provocation that the Mainland would never accept, and therefore it was very dangerous to go forward with this proposal. After reading that, I passed it on with some editing and discussion with the analyst—you always had to discuss with the analyst, you never edited anything without discussing it with the analyst—and then it went on to the director as a memo to the Secretary. I didn't think too much of it then until the next day, when I got another memo on the same subject. It was a little warning signal saying, whoops, wait a minute, what's up

here, there's something more in this than I had read in yesterday's memo. Sure enough, there was this big battle going on over in EAP, over whether or not they should do it. So then I read it with a different thought in mind. Why is this coming up at this time? I had agreed the day before that if an F-16 type was suddenly crossing the PRC radar screen over there and they were watching it, they would get quite excited. So I went over to our PM office, which doesn't get mixed up in all these emotional...

Q: Political-Military Affairs.

BELLOCCHI: ...and sat down and said, “What's all this business about?” And they said, “Oh, good heavens, this is something like the Lavi arrangement with the Israelis. The Israelis have been at this thing for years, and it's going to be years before the Taiwanese are going to have an airplane flying over.” Then I began to realize, that I had been a little bit bamboozled by this one. I was picturing an IDF flying over Taiwan's skies next week if we agreed to it. So then I took a different tact entirely, went to the director and I said, “There's a lot of hyperbole in this kind of analysis. This is not taking place now, this is a technology transfer issue. It's not a political issue of having a fighter plane over Taiwan's skies that quickly.” That was close to the time when I was about to leave INR. There had been changes in INR by that time and I think not very much happiness that I was not going to allow supportive analysis that we should not do the IDF. Doubtless those that did not agree were just as happy I was about ready to leave. I think internal opposition made INR leadership more careful. So the issue in INR was a little bit tempered for a while, but I don't know what took place after that.

Q: The dynamics behind this was, was it sort of internalized with some of the analysis within INR?

BELLOCCHI: I think it was more individuals. The analyst that was putting this out was very much a product of the long struggle over recognition of the PRC, and the director at that time was someone who tentatively favored that view also, and I was sort of in the middle

between my desk officer on one hand, and the director on the other. But I simply couldn't accept it. We would be putting out analysis that in my view was misleading. And then I got the PM people, our Pol-Mil office, to also send up analysis on this issue as a way of trying to counter this kind of thing. It was an interesting period of time.

Q: Really what you're pointing out is, this is a time when you might say we were enthralled with our relations with China. And in a way we were sort of dismissing Taiwan.

BELLOCCHI: It's also that, but, Stu, there was also the fact that the INR director—I'm not going to get into names now—the INR director had changed, and once you have a Foreign Service officer in that slot, let's face it, Foreign Service people are policy-oriented. I see that even in our operation here where all our Foreign Service officers are saying, “We're not supposed to get into policy, you're supposed to implement policy in this job.” They find it very difficult because that's what they're born and raised to do, implement policy. So when you have a Foreign Service person in that job, there is a natural inclination to try to use intelligence analysis for purposes of supporting policy. And that was the change. It's always going to be the case I'm afraid. But the idea that the Secretary of State should get a second opinion from INR started in the days of George Marshall. Every Secretary of State ever since has always accepted that there should be a second opinion. I think it's been very, very valuable, but it's always under attack by virtue of the fact that Foreign Service people just have this natural bent to try to take that and use that to support one policy or another.

Q: You left INR and what did you move to then?

BELLOCCHI: Then I became the ambassador to Botswana. I frankly didn't know where Botswana was. When I got the call...in those days Reagan used to call up himself.

Q: Had you known your name was put forward, or not?

BELLOCCHI: Yes, I think I had known only a short time before, because I think you're offered the opportunity to say no, no, I'll never take it, I won't do it. But I hadn't, and I got the call from Reagan and then I knew, in fact, that he wanted to appoint me. And I went to the library in the State Department to look up Botswana, and the only book in the State Department library was a Ph.D. thesis written by somebody in the UK that described a little group of Afrikaners who had migrated up into Western Botswana, close to the border of Namibia, and had thrived, and were there today as citizens of Botswana. And that was all, the only thing that was in the library about Botswana. Eventually I had to start looking into Bechuanaland because that's what the British name for that area was before, and even so, there was very little on it. So I must say, my wife and I both, left for Botswana after going through that process of becoming an ambassador. Even if it's for a small country, like Botswana, it is really an experience you never, never forget. It's quite an honor. I don't care what country it is.

Q: In the first place, how does one get ready? You're saying you really didn't know much, but there must have been somebody on the desk who could...

BELLOCCHI: Oh, sure, they start to give you briefing papers, and all that kind of thing. They prepare you for your hearings. But that had to wait for a little bit until we got the agr#ment, but that was not a controversial assignment by any means. And then I went up before the Congress, Senator Kassebaum was then the chair of the subcommittee. So we got through without any problems, but there was still the process of getting sworn in. I don't care what country it is, big or small, it's still quite an impressive thing. Then going off to Botswana. My wife and I both were really going there with some concern. I mean, we'd never even thought about Africa before. It was completely out of our area, and we didn't know really what to expect. We were pleasantly surprised. It was a fascinating assignment. It was somewhat important because of the South Africans at that time who were acting up, and raiding across the border into Botswana sometimes. And believe it or not, it was one of the few times that Secretary Shultz ever wrote anything in the margin of anything

on where he stood, was that he liked Botswana because Madame Chiepe, the Foreign Minister, had been in to see him and told him a little bit about democratic Botswana, and what they were doing, and how they were being pushed by the South Africans into directions that were counter to the democratic principles that they had adopted, and he just loved it. He absolutely loved it, and from then on he said, “That's a country I like.” In fact when he was supposed to take his first swing through Africa, Botswana was a place he was coming to, to give a talk about democracy in Africa. We had already started to prepare for the visit when Reagan suddenly announced that he was meeting Gorbachev at Reykjavik up in Iceland, and Shultz was pulled off his African trip. So he missed it. We all had recommended it, and he had very gladly accepted the idea. There is not enough hotel space for the entourage of the Secretary there, but he was going to stop in the morning, have a lunch and give a speech, and then that afternoon leave for some other place in Africa. So we were so excited about that.

Q: You were there from when to when?

BELLOCCHI: From '85 to '88.

Q: When you arrived in '85 in Botswana, what was the political-economic situation? Tell me a little about Botswana.

BELLOCCHI: Well, Botswana is a country that's larger than France in size, but it's only got a million plus people, and a lot of it is desert, huge areas are game parks—two of the largest game parks in Africa are there that are still relatively untouched by the tourists. Chobi, up in the north, and the Okavango swamp area which is very, very fascinating. But then down closer to the South African border, it was a little more developed. Botswana had built a road that went all the way up north close to the Victoria Falls area which is in Zimbabwe. There was some industry, but the country largely depended on the diamonds, the largest producer of gem diamonds in the world, larger than South Africa. But they were very, very lucky. They found the diamonds just about the time they were getting

their independence. So they negotiated with the De Beers organization as a country, and wound up with over 50% of the income from the mines. It would belong to Botswana, and then they joined the De Beers distribution system. But because of that they have laws saying that the mines must be exploited in their entirety, not just where the very best diamonds are. That didn't happen in Namibia, and DeBeers was able to mine all the best diamonds on their own, leaving just the secondary to what is left today in Namibia. But in Botswana it was all done very properly. It's a clean government, corruption free. The money they earn from their diamonds actually goes into the treasury, so they're quite rich actually. But as a country, not individuals. The president, as a matter of fact, was always in debt, and had to keep working himself out of debt. So it is a very open society. They have an active opposition party. They have regular elections. The speaker of their Unicameral Assembly was white, as was one other member of the cabinet. There were no racial problems, there were no ethnic problems within the country. That had all been erased by the original president, Seretse Khama, who was the prince of one of the tribes down there. He was educated in England and married a British girl. In those days he was not permitted to go back to Botswana by the British. It took several years but when he got back there, he was elected the first president, and started the whole democratic system. We loved the country. The people were friendly. Foreigners were actually welcomed. And on occasion if you wanted to go down to the big city, you could get in a car and drive, only four hours to Johannesburg. The capital was right on the border, and we could fly down there in an hour as well.

But when you first started, we'd go down there about once a month for shopping in the malls. As time went on you find yourself going down there less and less, and toward the end, why go down there, you can get everything you need here, you look a little harder but...

Q: This is during the time of...was it constructive engagement with South Africa where we had still the Reagan administration which was considered to be not as confrontational with South Africa.

BELLOCCHI: They opposed sanctions.

Q: What was the feeling from Botswana, and your role, and how did you feel about that?

BELLOCCHI: Well, I think the fact that Botswana was a democracy made it easy to go back with the views of the leaders of Botswana. They were also—what were they called, the Front Line. We got quite a bit on how the Front Line movement was proceeding.

Q: The Front Line movement being the states surrounding South Africa, which were black states.

BELLOCCHI: The black states to the north of South Africa, all of whom had to depend on South Africa's economy because they had no other way of running their economy except through South Africa. So they were in the delicate position of depending on South Africa, but opposing South Africa's policies of apartheid. So it was an interesting time to be reporting from there, but clearly they favored sanctions even though it was going to be counterproductive to their own economy. They were a little reluctant to shout too much, but they were certainly supportive of sanctions. During those days we'd get visits from many members of Congress. Two people who are still in the Senate, Senator Simon and Senator Kassebaum, one Republican and one Democrat, went to South Africa, and then stopped in Gaborone. I remember Senator Simon telling the president, “The air is different up here. It's just like coming home.” And Kassebaum made exactly the same kind of observation. “It really is in the air, you can sense it. Down there you had that apartheid system, you move into Botswana, such an open place.” They really felt comfortable. So we had a lot of people that were supportive of the Front Line states, and once the veto was overridden, and sanctions were applied, it made quite a difference down there.

Q: This is the American senate who passed sanctions over the veto. Congress passed it.

BELLOCCHI: What I thought was very satisfying was when the people down there in Botswana, but I think in the other countries in that area as well, commented on our imposing sanctions and saying, “Yes, but your administration is against it. It really doesn't mean anything.” Our response that, “On the contrary. It's the law of the land and we will have to observe it”, impressed them. And Reagan himself made that point, while he opposed it, it's now the law and it will be implemented. That was very nice. I thought that they were very impressed down there with the fact that we are a country of laws. It was a good lesson for them.

Q: Was it difficult for you—I mean you were the new boy on the block as far as Africa is concerned, but you were representing the American President, who was more friendly towards the South African regime than many of the policy makers as represented by the vote. Was this an uncomfortable position to be in?

BELLOCCHI: It wasn't easy to argue but at least in my case, the Botswanans are so nice that they didn't try to embarrass me, but you did have to make the case that constructive engagement was the way to go. In fact, it wasn't completely lost on people like the Botswana because they had to depend on the South African economy. So they didn't want something that would hurt them very badly. They wanted their economy to keep going, but they wanted sufficient pressure on South Africa to change the system. So it was somewhat equivocal, they didn't beat the table and say, “That's nonsense, you've got to be strong and fight them.” The further north you got, like Zambia, the stronger they got on these things. Right next to the border, they were a little more careful about the way they proceeded.

Q: Were you getting any reflections from our embassy in Cape Town and Pretoria about how they felt about the situation at that time?

BELLOCCHI: I can't remember, he was a political appointee. He left, I remember he was recalled at one point, and then Ed Perkins came down. Ed was there for most of the time that I was up in Botswana and we'd talk to each other on the phone, visited, etc. I can recount a little story, a little anecdote I thought was clever. When Frank Wisner left the front office, that was the time he went to Egypt, I think, as ambassador, Chas Freeman came in to replace him in the front office in the Africa Bureau. And down in Gaborone one day I got a call from the Foreign Ministry close to midnight. Mind you, this is little Botswana, and that was really something. They asked me if I would come over, and there was the Foreign Minister and the Permanent Secretary. They said there were a lot of military movements going on across the border, the border being only six Kms away from where we were sitting at that time.

Q: Six kilometers.

BELLOCCHI: And they said there was a lot of military movement going on over there, and they said while there was not much love lost between the South African military and the Botswana military people, there was always a tacit understanding that if they were going to go through exercises close to the border, that they would somehow get the word that that's what it was all about. They had heard nothing at all. All of this movement going on at this time of the night, made them afraid South Africa was planning another raid into Botswana." So this was midnight and I went back to the embassy, but you know, our embassy was small, it really did shut down at night. For me to call the commo fellow to come over would take about two hours to warm up the machine before he could send a cable off. I was in much more of a hurry than that. So I called by open line, even though we were convinced at that time that the South Africans were monitoring these open lines.

Q: Sometimes it's handy.

BELLOCCHI: So I called by open line and got Chas.

Q: We're talking about the acting head of the African Bureau.

BELLOCCHI: He was the senior deputy at that time. And sure enough he was still at work, it was about 7:00-7:30 in the evening in Washington. I said, “I've got a message here, so I guess the best thing for me to do is for me to speak Mandarin.” Chas is a Chinese language officer. So I conveyed the message in Mandarin to Chas in Washington. We talked back and forth, and then he called Ed Perkins by phone back down to Pretoria and saying, “You better get over to the Foreign Office, and say just how unhappy we would be if something like this materialized.” Which he did. The Permanent Secretary in the South African Foreign Office didn't know anything about it because the military and the Foreign Office didn't always discuss things with each other. So he had to inquire, but eventually was able to confirm that it was just an exercise. The word came back through that way to Botswana. But the idea that we had to communicate in Mandarin from Botswana was one for the books.

Q: With the South Africans listening, up the wall.

BELLOCCHI: They must have wondered if something really funny was up. At any rate it got the job done.

Q: The South Africans have an ambassador there, didn't they? Or a commissioner?

BELLOCCHI: No, they didn't even have relations. The two sides would meet on occasion, and it was always between Pik Botha the South African Foreign Minister, and Madame Chiepe, the Botswanan Foreign Minister. Botha was a very rough guy, and Madame Chiepe, on the contrary, is very even handed. She was a school marm, that's what she was and she acted like one. That's why Shultz liked her so much because she really was very calm in the way she handled matters. She sort of gave a little lecture to Botha in a nice school marmish way about why he was wrong in what he was saying. It would drive Botha up the wall, of course. He was a completely different kind of character who wanted

to beat the table, while she would go back and counter his arguments each time. But, in fact, later on it became clear when things did settle down that he had a great deal of respect for her. But he was a great actor, and he knew how to be very gruff in the way he talked, but it didn't bother the Botswanans at all. They knew the Afrikaners just as well as anyone else did. So they held their ground very well. There was a great deal of respect between them. I think there was also a great deal of concern because Botswana was a free democracy, and the argument the Afrikaners always used was that Africans were uncivilized. It just didn't apply. In Zimbabwe the same thing applied eventually. Mugabe, when he became president, managed the country reasonably well. So that kind of undercut Afrikaner arguments.

Q: Did you find the South Africans were meddling in the area at all?

BELLOCCHI: Oh, always. That goes without saying, of course, because the ANC would also not hesitate to use Botswana. There were ANC people coming in and out of Botswana all the time.

Q: ANC was the African National Congress.

BELLOCCHI: Even their military on occasion. They would go into South Africa via Botswana on many occasions. It's a big border, and open. Cows would walk across the border so why couldn't people, and they did.

Q: Did you have any contact with the ANC?

BELLOCCHI: Oh, sure. I've even had some, including the present vice president of South Africa, come to a reception I gave in Botswana.

Q: What was our relationship with ANC in those days?

BELLOCCHI: I think most of the time it was standoffish because they were supposed to have a connection with the Soviets. In fact, the vice president of the ANC, was a white

fellow who was a communist. So you can tell our intelligence certainly focused on the ANC, and much less so on the South African military. That didn't mean that we couldn't meet with ANC on occasion, which we did.

Q: They weren't in the PLO category?

BELLOCCHI: No, they were not. Occasionally they would come to Botswana. They came to a reception, I think it was one of the Fourth of July receptions they were there. They didn't view us as friends, but they didn't view us as enemies either.

Q: Diamonds occupying the major part of the economy, I take it then that our commercial ties, economic ties, weren't very important.

BELLOCCHI: We had an AID program going on there. The composition of the mission, while the embassy itself was small, there was an AID mission that was largely dealing in PL 480 products. They also had some health programs, and family planning, and some of these other things. So there was a small AID program, and then we had almost 200 Peace Corps people in Botswana.

Q: That must have been rather pleasant duty. I'm not knocking it, but it sounds like a really nice place.

BELLOCCHI: I must say I was a little bit wary because they were scattered all over the country, and in order to see all the Peace Corps people, you really had to have a small airplane. You couldn't get in to some of these places, and here were some of our people in very isolated areas all by themselves in some small village in Botswana. But we very seldom had any problems with people stealing, or anything of that nature, very, very few. It was clearly quite a nice atmosphere, people welcomed them, and I think our Peace Corps people felt very satisfied because of that. They were welcomed into the classrooms to teach without any problems. The head of the Peace Corps would visit, and I'd fly around with her to all these little outposts in the country.

Q: Well, Nat, were there any other developments in Botswana that we might want to cover?

BELLOCCHI: I think not. They were interesting to us largely because of their democratic system, and the lack of corruption. I think these were the things that really stood out.

Q: Lack of tribal problems.

BELLOCCHI: Lack of tribal problems, no racial problems. It was a fantastic assignment. We really enjoyed it very much.

Q: You left in '88?

BELLOCCHI: I left in '88 and I spent two years at the Industrial College as I think it's called, as the Foreign Service type that's over there.

Q: Okay, then we'll pick that up at that point then.

Today is the 1st of August 1995. Nat you were at the Industrial College from when to when?

BELLOCCHI: Industrial War College. Let's see, back from Botswana from '88 to '90.

Q: What does the Industrial College...

BELLOCCHI: It's sort of a partner to the War College. It's supposed, I guess, to put greater emphasis on the supply side of the military. But it's a shame in some sense because they're right next to each other. They really probably could join forces a lot more than they do. I mean, having a separate economic department, and separate political science department, I think is kind of a waste. There's been a resistance to making it a real national defense university in which the different schools become a university, once you do combine these different departments. But overall, though, it was a good experience.

The best part of the job frankly is seeing these fairly young colonels coming in from all the different services, and the attitudes they have towards the State Department, and Foreign Service generally, and how they changed over the course of the year. When they first came in to the school, their attitude was one of, why are these traitors being allowed in the building? And by the time they are graduating, they have accepted that the U.S. government is a broad government, and everyone has their own role, and that while the military is there to prepare for war, the Foreign Service objective is to try to avoid it. That was heart warming really, to see that kind of change take place in the two years that I spent there.

But other than that, from a personal standpoint, I really had a tough time. I think throughout my entire Foreign Service career I've never had a job that I didn't find interesting and challenging, except that one. I guess that if I had been prepared after Botswana to say, okay, it's time to leave the Foreign Service, and this would be a good way to adjust to my departure, I think I would have enjoyed it. It gave me ample time to do a lot of things that one would like to do, and probably even prepare yourself for the future. But I wasn't in that frame of mind, so I kind of bridled always at what for me was relative inactivity. I mean being a professor in a college...we all look at it and say, gee, that must be pretty nice. But for someone that likes to be busy and challenged, it's not all that great. That was the unfortunate part about it. I wish it could have come either later, or I wish I could have been better prepared myself mentally for those two years. As always, you learn something, so I don't regret those last couple of years, but I was really pleased when I could transfer over to this job.

Q: Okay, so let's talk about the job you have. Before we get there, did you get a feel for how the military...I mean you were there during basically the fall of the Soviet Union.

BELLOCCHI: There was a significant change in Gorbachev at that stage. I don't think it was seen then as a falling apart of the Soviet Union.

Q: Because all of a sudden the military had to look around for another gratification. Not to be facetious about it, but that's what military does. But you weren't getting that?

BELLOCCHI: No we didn't, at least on the industrial side, didn't put a great deal of emphasis on how do you fight the Soviet attitude. It was more, how do you prepare, not only the military, but the country for mobilization.

Q: So in '90 you moved over to what?

BELLOCCHI: To the chairman of the American Institute in Taiwan.

Q: Chairman of the American Institute in Taiwan. Because we're doing this for the historical record, could you explain the background to this, and then what it encompasses.

BELLOCCHI: Technically speaking, as you know, the TRA, Taiwan Relations Act, in fact legalized the establishment of the American Institute in Taiwan to conduct the unofficial relations between the people of the United States and the people of Taiwan. It actually began just before the TRA was actually passed.

Q: When was that?

BELLOCCHI: 1979. The treasurer of the corporation told me that he opened the bank account for the American Institute in Taiwan with one penny. He always likes to tell that story. Our account with the Riggs Bank was opened with one penny, but eventually we got money from Congress to get the Institute going. We have this office here which is the headquarters of a private non-profit corporation.

Q: We're speaking in Rosslyn, just across the Potomac from the Kennedy Center, and the Department of State.

BELLOCCHI: So, in fact, some people wanted to say we must in appearances be separated from the Department of State, which we were until about two years ago when

the Office of the Inspector General moved into this building and this became SA-39 but we don't advertise the fact that we're in the same building as the State Department. It's very unique, and I found it a very innovative way of carrying on a relationship that has everything that any relationship we have with any country has except the name.

Q: Can you give a thumbnail sketch of the history on how this organization developed up to the time you took it over in 1990? It obviously was a strange creature.

BELLOCCHI: Yes, it remains that way, strange. It was started relatively small. We had the headquarters here which is supposed to act as sort of a State Department side, and then the branch office out in Taipei is an embassy in everything but name. They were to report to their headquarters here, and in fact it flows through to the Department from us. The system works fine except in policy matters. The U.S. government must maintain complete control over policy, so the State Department lays down the policy. We implement it in effect. And the man out in the branch office in Taipei under normal circumstances would be an ambassador, and his recommendations and reporting and all the same thing that goes on, normally, goes on there. This office here, the headquarters, is more the administrative headquarters with the money coming in via Washington, we redisperse it out to the branch office, and most of the money goes out there. That's where most of our people are. So that is what maintains this office here, this job. It has other elements, not just supporting the branch office in Taipei. We are responsible for the money that we're getting. We have public affairs activity because the State Department doesn't conduct public affairs for our relationship with the people in Taiwan. I go around the country speaking largely to Chinese-American associations all the time.

And then probably more important than anything is liaison with the Taiwan representative here which I do on almost a daily basis. I'm the liaison with State on a daily basis, the liaison with MFC, with Commerce, with Agriculture, Treasury, all the others. They all flow through us here.

Q: Let's say you have a fast breaking situation—just recently the Mainland Chinese fired some missiles into the Formosa Straits as to sort of say, we can do nasty things. I might just mention for the record right now, August 1st, our Secretary of State is meeting with the Foreign Minister of the People's Republic of China because we're going through what the British would call a "rough patch" with China. But, you know, when you have something fast breaking, the idea of sending something to you in Rosslyn to get over to the State Department...

BELLOCCHI: Oh, no, no. In actual fact there are communications. That is, after all, in the air somehow it winds its way straight over to the State Department also.

Q: They eavesdrop on your communications.

BELLOCCHI: There's no short-stop on that. We are here mainly in the administrative sense shortstopping on occasion.

Q: What has the State Department had to deal with Taiwan? They have to have something within the body of the State Department to deal with Taiwan.

BELLOCCHI: Oh, there's the coordination office over there that would be somewhat the equivalent of a desk, except that because we are here dealing as a liaison with the Taiwan representative office, there doesn't have to be the same number of people. But the relationship is as broad as you would find anywhere.

Q: For example, can the State Department people, the relations group, can they go out and have lunch with the Chinese, the Taiwanese?

BELLOCCHI: Yes, I have lunches quite often.

Q: You're the 'beard', in a way.

BELLOCCHI: Yes, and I invite people on both sides.

Q: You're the cutout in a way.

BELLOCCHI: We're technically, yes. And yes, that's really an important part of the program.

Q: I would think it would be essential.

BELLOCCHI: In many ways, let's take the example, the trade negotiations. That's relatively a non-controversial subject to get into. If we're negotiating a trade issue, or whatever it is, GATT, or whatever it is they're negotiating, of course the negotiations have to be done by USTR. We don't have the expertise to do that kind of business. And the Taiwanese are the same, they don't have that kind of people here in the Washington office, so people come from Taiwan, for example, and we set up a meeting. And we have as our “consultants” people who come from USTR. We sit them down at the table, and say, “Welcome to AIT, let's sit down and talk trade.” And they sit down and they talk trade. If they come to some kind of an agreement, they turn it over to the Taiwan representative office, and to the AIT, and we write up an agreement according to the lines that they've been instructed, and we sign them. It's an agreement between AIT and TECRO the Taiwan representative. So that's the way things are done across the board.

Q: I suppose all we've down, the thing has been in place now for what?

BELLOCCHI: Sixteen years. Beyond anyone's realization. I think when the TRA was passed, I know that somebody that you know, gave a speech over at the War College, very intimately involved in our China relations at that time...

Q: I think your talking about Chas Freeman, aren't you?

BELLOCCHI: Who said that this thing was probably not going to be needed more than about three years. Well, it's been sixteen years later. So actually by accident it has survived, not only survived, but thrived. You know, we pass out, we say we process more non-immigrant visas in Taipei, sometimes more than any other country, but at the very minimum we are the third largest processor of NIV visas in the world. I mean it's across the board. Our trade is enormous. We sell to Taiwan twice as much as we sell to the PRC. I mean it's a very big relationship.

Q: Let's talk a bit about our representative's office in Taipei.

BELLOCCHI: In Taipei, it's called the American Institute in Taiwan.

Q: Who staffs it?

BELLOCCHI: We have a director, who in other circumstances would be the ambassador. We have a deputy director who under other circumstances would be the DCM. And then what we call the general affairs section, which under normal circumstances would be the political section. We have an economic section, we use the same words for that. We have the travel service section, which would be the consular area.

Q. You mentioned the travel services section. I'm an old consular officer, and a part of consular problems, one, just visas and all, which is relatively simple, but are there special provisions because the visa law is set up to say, countries?

BELLOCCHI: The Taiwan Relations Act includes in it, or gives the AIT the authority to process visas, and we are even getting the authority for passports soon, because that's become...so many travelers back and forth. We did not originally have that authority. The visas are still stamped as being issued in Hong Kong. That clearly is not going to last very much longer. What we change it to is still under discussion, but eventually that will be changed.

Q: One of the things I take it is that you must have an officer in charge of euphemisms almost.

BELLOCCHI: Well, that's really one of our jobs. My deputy spends a lot of his time scrubbing communications to be sure it doesn't say...oh, yes, we're a laundering agent as well.

Q: One of the important function of a consular things, and that is protection of Americans. Usually you have a Consular Treaty.

BELLOCCHI: That's right, American services.

Q: What do we have with Taiwan?

BELLOCCHI: We have an American Citizen Services Office.

Q: But do we have the equivalent to a treaty?

BELLOCCHI: No, we have an agreement between AIT and our counterpart on privileges and immunities, and they are almost the same, but not quite the same as diplomatic immunity type of thing. So that's really the thing that judges...I mean our professional relationship between us and the Foreign Office there.

Q: Because this is for the historical record, when you say...I can never get the right term, but our office, your office in Taipei is staffed, who are these people, where do they come from, and how does it work?

BELLOCCHI: Okay, the Taiwan Relations Act has taken very good care of that. We have a mixture of people, but most of them are Foreign Service people who have been separated, and they are actually separated from the Foreign Service. It's a very bothersome process for our personnel people in the State Department to go through all the paper work that has to be done to separate them from the Service. They're given a regular passport for their

tour in the AIT. We in our budget include all of their salaries, rents, benefits. That's why our budget is as large as as it is, it's around $34 million a year, it's because it includes all these things that under normal circumstances are centrally located in the State Department. At an embassy the admin officer does not get the money to pay people out there. Their pension checks are sent direct here at home. The rents are coming out of Washington as well. That's not the case with us. We have to do all of that ourselves. But we contribute to their pension fund with the TSP and all the other business. So their time in service is never broken. It's smoke and mirrors. We've arranged a way so that these people's service remains intact. These are the bulk of the people. We do have some people from Commerce, Foreign Commercial Service, and the Foreign Agriculture Service. The military is not able to separate uniform military personnel, so we pick up recently retired people, of course, with the cooperation of DOD, to come and work for us.

Q: They probably come out ahead on that in a way, a little more selective.

BELLOCCHI: And it's not a bad deal. We have some civil service people, including from the State Department, who are separated the same way. And then we have some people who are direct hire. We can hire directly. So we have a whole combination of people for whom we have to pay everything.

Q: Looking at this thing institutionally, in many ways the very fact that you've been here for five years now means that you have probably a little better institutional stability here.

BELLOCCHI: More continuity.

Q: ...than you do in other places, which is always a...

BELLOCCHI: Our people here in Washington. But the turnover out there in Taipei now is very much like an overseas post, a three year assignment cycle.

Q: Is there a problem there as it used to be if you served in Israel you couldn't go to an Arab world?

BELLOCCHI: No, they've got American tourist passports. They can travel anywhere they want.

Q: So a service in Taiwan does not preclude their serving in the PRC?

BELLOCCHI: Oh, no, on the contrary. We teach language students in our school in Taipei, the old Language School. Most of them go to the Mainland for assignment there.

Q: Often, and I'm sure right now, there are policy discussions going on. I mean the PRC is showing a propensity to export arms, and to arm itself, and there is concern that this may be our next major enemy...

BELLOCCHI: That's one school.

Q: But, I mean it is a school so there have to be essentially policy considerations about whither our relationship with these things, which would mean meetings certainly between the Department of Defense and the State Department and the National Security Council. What happens? Where do you fit into this?

BELLOCCHI: Well, technically speaking, and in most part not only technically but actually, policy discussions go on over at State, and once the policy is decided, that's what we stand up and salute and carry out. Now, that's not to say we are not asked what do you think of this, or what do you think of that. But we do not have a role in the decision making. Formulating, it may be of course, they will try to draw on all the expertise they can get on what they think is going on here and there, especially in Taiwan, what our views are, and what the reactions would be, etc. That, of course, I contribute to. But the decision itself is made in government. It's got to be a USG decision.

Q: But there has always been the thing, do we from time to time at least have a Taiwan vet, I mean somebody who has been sitting there in the NSC or something like that?

BELLOCCHI: You mean that kind of continuity in government?

Q: Sometimes when policy is being considered, it's not bad to have somebody who knows, who has been around the block in a particular country sitting over at the NSC—you're rolling your eyes.

BELLOCCHI: You know, like any other service, military or anyone else, we don't like to be second guessed anytime, so having someone that says, “Well, we've been through this two times before, and this is the time it worked...” it isn't always very appreciated. So one treads that one rather carefully.

Q: I wonder if you'd comment a bit about how, you've been in and out of this whole relationship for some time, when the Taiwan Relations Act was set up, and Chas Freeman said he'd give it three years. This was generally considered because, if I recall, and correct me if I'm wrong, Taiwan did not seem like the greatest ally. I mean it was the end of Chiang Kai-shek. Repugnant may be the wrong term, but it seemed to be two regimes, the People's Republic and Taiwan both. It was very easy to have a two China policy because then we got to deal with them, but we didn't like them. They're not like us, but things have really changed, and I wonder if you could talk a bit about your reflection on the change. Because I think this is profound in what's happening.

BELLOCCHI: It is absolutely fundamental to the problems we're having right now. I have to see it from the perspective of Taiwan, and some of the other people that you're talking to, of course, have to look at it from the perspective of China. And the PRC, there is no one that I know of, no matter how rabid a supporter of Taiwan, or how rabid an anti-China person that individual is, would ever contest that we should have a good relationship with the PRC. That's an important relationship. No one ever contests that. But seeing it

from a different perspective really makes a difference. And what has happened is that our policies established in the ''70s were based on the kind of two Chinas, if we can use that expression, that you just talked about, and that doesn't exist anymore. China, of course, has changed a great deal, but nothing compared to the way Taiwan has changed. So how you deal with this set of relationships when you have an authoritarian Taiwan, and how you deal with it when you have a democratic Taiwan, is different. You cannot do in a democratic Taiwan, what you could do in an authoritarian Taiwan. And what to do about that has really perplexed everyone and that exists today among the highest thinkers of these set of relationships, Mr. Kissinger included. That they can easily say, “Well Taiwan, just don't make any noise now because we've got to deal with this big fellow who is very important for us, and you know that's it in your interest, that we have a good relationship. So you just stay down, boy, and don't make any trouble.” That's not even feasible anymore. If you're a political leader and depend on votes, and the people have opinions over there—they're one of the most widely traveled people in the world, 20% of the people in Taiwan travel abroad every year. I mean they're really very conscious of what goes on in the world, so that makes them extremely sensitive to the fact they have no status. They have difficulty going to different countries. They have to get visas on different pieces of paper. They're getting more and more proud, or nationalist, or whatever you want to call it. And that isn't given enough weight here, and it absolutely is not given enough weight over in the PRC, who I think really don't understand the fact. They don't understand democracy, so they don't understand what's going on over there. But the fact is that there is a very, very strong undercurrent in Taiwan of this kind of feeling. And a political leader has got to be responsive to it, or he's going to lose power. And the president of Taiwan no longer has that carte blanche power, no matter how popular he is, that the old leaders of Taiwan used to have. So that is a different set of circumstances. When you have say, “Please don't make noise now because we've got this boy to deal with.” The leader there can't say, “Well, okay, we'll sit tight.” They won't sit around very long because the people aren't going to accept that. So how you deal with it is a very perplexing issue, and that is the problem that we're facing today. It's a democratic Taiwan, and how in the world is

that going to fit into this mold that we had before? We are having problems with it already. That's the reason we're in trouble now. Because in trying to deal with this, if one side cannot accept the changes, or doesn't understand the changes like the PRC, not able to understand the things, well, how do you deal with it? So we're in what you said, a bad spot, a rough spot, with the PRC on this because they are not in a position to accept the changes that have to be dealt with now, or they're going to lose out. It's almost a catch 22 because, for example, you mentioned the missile firing. Missile firing was a rather crude way of reminding the Taiwanese to behave, because if they don't behave those missile could be aimed a little bit further on. But what's the other side of that coin? The other side of that coin is that they've just gone through another experience, one that it was “them,” against “us.” It's a unifying experience for the people on Taiwan, and strengthened the differences between the people on Taiwan, and the people on the Mainland. It doesn't help. It hurts that kind of tendency, saying “Fellows, you've got to get together and make up your mind what kind of relationship you want.” And when you do things like, it actually drives them further apart. And that's what's been going on. There are a lot of people, I think, with forlorn hopes. Frankly, I think they're unrealistic. A million plus people from Taiwan travel over on the Mainland. They're tourists, they've got plenty of money, traveling is cheap for them. As far as I know, I don't know what figures, how reliable they can be, but the last time I heard the figures they say a total of 300 out of 7 million have stayed over there. These are people that were old, and wanted to die in their old village back in the Mainland. Nobody will stay over there, and it's become a place where—I'm from up-state New York, when I was growing up a trip to New York City was kind of a rare occurrence, 250 miles away in those days was a long way, and everyone always said, New York is a great place to visit, but I'd never want to live there. Well, that's what the attitude is in Taiwan. The PRC, that's great, it's interesting, its got a big wall, big statues, big buildings, but I wouldn't want to live there.

Q: As we're speaking today, and God knows, one really can't predict, it's still a very authoritarian government which is kind of falling apart in many places.

BELLOCCHI: Well, the standard of living also, I don't know what the per capita income over in China is, maybe 400-450, it's 12,000 on the island. Just that alone in practical terms...I think both sides understand that whatever—they say unification, if that's what it is, that's fine, but it is a long, long way down the road. And there's got to be something to take its place in the meantime, and it can't be what was before, because too many changes have taken place. So no one wants to bite that bullet. It's a very difficult thing. It's probably not the time. China is in the process of deciding on its next leader. How long that's going to take, but I think that article the other day in one of the papers, Wall Street Journal, saying we're really going to have to wait until things settle down over there, and probably settle down here because we have a campaign coming up before anything of any substance can be done. But whether or not we will be willing to bite the bullet, will have the political will, or them, the PRC, to bite the bullet, and say, “Let's sit down and think about the changes and what alterations we should make for this kind of arrangement.” We're always going to have problems.

Q: There doesn't seem to be much push for unification. On the part of Taiwan, I don't see what's in it for them. In fact many of the people don't...I mean it's a new generation, an island people, just in the normal course of events.

BELLOCCHI: Unification on Taiwan, as it is still in the Mainland is an emotional issue, a carryover from the civil war on the Mainland of China. In Taiwan now, with the Taiwanized government, democracy, all the things that have happened on Taiwan, unification is no longer an emotional issue, it's a practical problem. In China it's still among the top leadership an emotional issue. The old civil war baggage is still on their shoulders. In Taiwan it is no longer an emotional issue, it's a practical problem. That doesn't mean that they'd give up unification. It means, though, if we've got to have it, let's do it in a realistic way. The political leadership on Taiwan has got to put the welfare and security of the people on that island first, or they won't stay in power. And that's the change. Not unification first, the people on Taiwan first.

Q: You say you go around and address a lot of Chinese American associations. What are you saying, and what are you getting from them?

BELLOCCHI: Oh, they're in quite a change themselves. They're reflecting the turmoil in thinking out there. The older Chinese American groups...I can no longer go to say San Francisco or Los Angeles and just speak with one group. I've got to speak to two or three, or I've got a problem because they won't mix. And the older generation, they really have no emotional attachment to Taiwan per se, their attachment is to a China that doesn't exist anymore. So they're completely befuddled. They don't like what's going on in Taiwan. Taiwan was only supposed to be a temporary footstop before we get back to China. So they're unhappy. And, of course, the PRC is making hay in some of those associations because they're representing themselves as the real China now, “We're not what we used to be.” So they're making some inroads. Taiwan is losing the allegiance of a lot of the old Chinatown crowd, places like that.

The new immigrants from Taiwan are the real basis of support for Taiwan these days. And they have plenty of support within the country. The younger generation that is coming here now, immigrating to the United States, gets much more involved in our politics than the older generation. They ran their laundry, and their restaurants, and they sent their kids to medical school, and they didn't care about all this other business. Not now. This younger generation here, they're really savvy and they're very much involved in the politics of their communities. And if these organizations were ever able to unify, which is totally against their character, they probably could be a political force. But they have difficulty unifying, so they're are not. But if you're talking about what problems do we have, if you want to have a sense of what I think, we don't here as a country have a sense of the revolution that's taking place in Taiwan. I've just lived through it these five years. When I began to talk to these groups, especially the Taiwanese groups, the overwhelming problem was, why can't we get a visa to go back home? They were blacklisted. There were people that couldn't go because they preached independence and all of this business. That was the

overwhelming problem of the groups here in the United States. That's all gone now. It's all gone. They can go back. Some of them are in the legislature. If you go to meet the leader of the opposition, he has spent 25 years in jail. Nobody has been killed by this revolution that's taking place, so people haven't noticed it as much. But if you could feel it when you go to Taiwan the people that you're dealing with now, it's like a big breath of fresh air. They want to talk independence. They want to oppose the leadership simply because they can do it now, and weren't able to do it before. It's that kind of thing that the leadership has to live with. They have opened the doors, and opened the windows, and everybody wants to shout, and boy their politics are as vigorous as you can find anywhere. Because it's new, it's invigorating. They can really do all the things that they could never do before. And that strengthens them very much. So we worry about that they should really be thinking about their relationship with the Mainland. The only time they think about it is how much money can I make over there, or if they shoot missiles, there they are, at it again. But otherwise they don't think of the Mainland. They think of all their problems on Taiwan.

Q: We have a sizeable immigration, I assume, I don't have the figures, but coming particularly from that Quan__ area from Mainland China. Do you find yourself talking to these people? Are they a separate group?

BELLOCCHI: No, although some of them are in the groups. The groups I talk to are usually quite identified with the Taiwan side, and you don't find them there. Where you find the differences in the groups that I talk with, are really in generation because even Mainlander young people who are recent immigrants from Taiwan, are not terribly different than Taiwanese immigrants from Taiwan in thinking. What they have is what today's Taiwan is like, whereas the older generation are thinking of the day's that are now history.

Q: Here you are in this quasi-official position. Can you talk to them the way you're talking to me now?

BELLOCCHI: I remember the first group I went to talk to was the Taiwanese American Chamber of Commerce of North America, having their annual meeting up in New York, and I decided to go and I gave them the talk. I had been giving talks before that were much more candid than before. I think previous AIT people had always talked about trade, and how well the relationship was doing, and put them all asleep type of talk. And I decided Taiwan was opening up, and we had to tell people what Taiwan was like. It was more than just trade in this relationship. So they were a little bit shocked in the older groups that I would talk about the changes taking place, and how bad it was. They weren't letting their own citizens back into Taiwan, and the fact that they were developing quite a different identity on Taiwan than those people on the Mainland. This was almost heresy to be saying this. Well, when I went up to the group in New York, this was the first Taiwanese group...

Q: This was about when?

BELLOCCHI: Towards the end of 1990, around that time. There was still all the business of visas and all, so I gave them that kind of talk and told them what Taiwan was like. And you can't imagine the feeling of the people. There was about 400-500 people. They always have huge crowds in these things. There were about 400-500 people there and you could tell that they were so, so happy that someone from what they perceived government, was actually paying attention to them. They had never had anyone pay any attention to them before. So as I travel around the country talking to more of these groups, I sense they really had a very strong feeling that they were sort of cut adrift. I think now that that's changing. They're really getting a lot more confident. I mean Taiwan's pragmatic diplomacy is giving us a lot of problems in terms of our policy. But it is very, very well received by the Taiwanese community, even here in America. Certainly back home that's given them a little pride.

Q: I keep referring because right now I'm doing a couple of interviews with other Chinese more Mainland oriented. One as we mentioned before is Chas Freeman, who was both

deputy chief of mission in Beijing, and also ambassador to Saudi Arabia. So I asked him about the difference between the Taiwanese lobby and the Israeli lobby. The Israeli lobby is renowned in the United States. And his thing was really in many ways the Taiwanese lobby, particularly in this day, was getting more effective because the Israelis were more in your face in that they would come, and say you do this, and if you don't do this I'll have a Senator calling you by this afternoon. Whereas he said the Taiwanese have cultivated and really gotten much more into that. I don't know. I just want you to comment on that.

BELLOCCHI: Okay, I know Chas has just made a speech out there in Hong Kong that said they bought the vote, I think that's absurd, really, I'm sorry, it's absurd.

Q: We're talking about the vote about...

BELLOCCHI: ...whether or not we should give them visas to come here to visit. The resolution got a 96 to 0 vote. Lobbying certainly helped. There's a lot of lobbying that goes on. That doesn't hurt, but it's the message, and I think it really misdirects our ideas if we think that they bought it. But, there's no question about their effectiveness, and they're coming close to what you have just described. They have plenty of people up on the Hill, influencing a very broad spectrum of politicians. It used to be that only very conservative Republicans...

Q: We're talking about Senator Knowland and a few from California.

BELLOCCHI: But that's changed now, democracy has made quite a difference up on the Hill. I mean, someone like Leiberman in Connecticut, and Paul Simon in Chicago.

Q: We're talking about quite liberal Senators.

BELLOCCHI: ...these are people that support them because they are a democracy, and they have turned their human rights thing around so completely, so they have a very broad spectrum of support up on the Hill. And yes, the Taiwan lobby is getting more and

more open because it's a democracy and they can't hide the figures anymore. And even PR firms like Cassidy are being used to generate public relations. Well, that's a lot like what the Israelis were doing. It's the same kind of thing. And the fact that the Taiwanese themselves are far more politically active in our politics, all of this has meant that they have greater radar reach on the Hill, and they more clearly understand that the only thing that really keeps them in play is the Congress. They're well aware of that.

Q: Well, Nat, to sort of end this, from your perspective we're talking about August 1995. How do you see the relationship with Taiwan, the People's Republic, and the United States developing?

BELLOCCHI: Taiwan would like us to detach that trilateral relationship and make that two separate bilaterals. I don't think it's possible, of course, because you've always got to take the other into consideration. But it's troublesome. I think the relationship with the PRC is a separate issue, and it may even get worse because of our politics. But that hasn't anything to do with Taiwan. Unless we can start accepting that we've got to do something different than we were doing before, I mean really different, we'll have trouble. We won't have the same kind of relationship we've had with Taiwan in the past. They've got money. They've got great economic strength, and they've got political strength because in March 1996, I'm sure Lee will be elected, directly elected, by the 21 million people on that island to be their president. You can't get more legitimate than that. And what do we do about it? When they say, “I'm the president of Taiwan, I want to do this, and I want to do that, or I want to go this way.” We can say no, of course, but at some cost.

Q: What about Taiwan's relationship with other countries? We tend to be U.S. centric. when we put this thing together, but how do they deal with other countries?

BELLOCCHI: With difficulty because all these other countries as on almost every issue, are hiding under our skirts. They always tell the Taiwanese, “You deal with the Americans, and you want to enter GATT, you deal with the Americans.” Only when the Americans

stick their neck out, are they willing to stick their neck out afterward. But in many cases it's getting more and more difficult. When we gave Taiwan trouble on military sales, the French moved in and sold them Mirages, for example, and then moved right back out again. They don't have the same interest we have, none of the Europeans do, so they can dance in and out of these problems and leave it up to us.

Q: I imagine Japan...

BELLOCCHI: Oh, no, they're more cautious than ever. I mean they've got more at stake, they're much closer to China than we are. They've got problems, and they're growing problems. Some of the problems that they're growing in Japan are the same things that we've had to face. They've got a lot of business with Taiwan; they have more business with the PRC than we do. We have more business with Taiwan than the PRC. They have it the other way around, but they also have a democracy that's increasingly aware of the democracy in Taiwan. So Taiwan's support in Japan is actually growing. It was very high at first because they appreciated that old Chiang Kai-shek didn't demand reparations for World War II. Well, that crowd has sort of died away. They've sort of become history just like Chiang Kai-shek has become history. But now the newer group is coming up. They're doing business with Taiwan. They respect democracy in Taiwan. So I think the Foreign Office, in Tokyo is beginning to feel the same kind of pressures that our State Department feels on the issue of Taiwan. In a much lesser degree now because their inclination to be more wary of the PRC is much greater than ours, based more on geography than anything else.

Q: How about some of these other relationships, sort of an ASEAN, Malaysia, Singapore, Indonesia, Philippines, again they're in that area very suspicious of the power of Mainland China.

BELLOCCHI: But there's something else too. Taiwan has become the largest investor in Vietnam, and the second largest in most of the other countries, Thailand, Indonesia,

Philippines. The Philippines are becoming a major factor in this. So here's little Taiwan which offers no threat to them at all putting money in their country. Whereas their own Chinese population, many of them are putting money in Mainland China, taking them out of the country. Here's Taiwan, putting some money in. So that helps.

Q: Do you see upon the Taiwan government...is this natural economic expansion, or is this, I mean as you see it, are they making real efforts to make sure they invest in various places?

BELLOCCHI: No, they can't direct it. It's very much a free market. As a matter of fact if they could direct it they wouldn't have this much going into the Mainland that goes now. It really is very difficult for them to direct. I mean they can try incentives, which is what they're doing with the southern strategy, for example, and being led by some state enterprises, to go down there and invest. But that's all. They can't coerce their private sectors into these areas. Erland Heginbotham, formerly a DAS at State, attended the seminar that I was in, and he said that if you want to know where the next economic opportunities are in the Asia area, follow the Taiwanese businessmen, because they're largely small corporations, or little branches of bigger ones that take risks, and they move. I mean, if the opportunity, especially labor costs are cheaper here than there, then they take their machines out of there, and simply move them over to the other ones. A very simple operation.

Q: Sounds like a much more flexible operation than say the Japanese.

BELLOCCHI: Oh, yes. It's part of the character in Taiwan. They can never get together, so they're all little individual companies, but it really gives them enormous flexibility. So you find some of the investment that has been in China gets disgusted, they simply pick up their machines, put them on a boat, and go down to Vietnam.

Q: I would imagine the Taiwan-Vietnam relationship...Vietnam as we talk now we've just started to open American relations, but I would think the Vietnamese would welcome Taiwan because there's obviously no love lost between Vietnam and China these days.

BELLOCCHI: Also no danger. So no, of course, they have an investment guarantee agreement with Taiwan. Even the KMT has made investments in Vietnam, a big industrial park down there. And a lot of companies have gone down there. They're welcomed by the Vietnamese. One Taiwanese businessman I talked to in Taichung who had factories in both Fujian and Vietnam, and asked him what he thought of the two. And he compared in very much an absolutely apolitical way, he wasn't thinking of politics at all. But saying labor costs were cheaper in Vietnam, trainability was better in Fuchien, but quality was better in their labor in Vietnam. And then he wrapped up the discussion by saying that one big difference was that Vietnamese officials encourage him to invest, while Chinese officials expect him to do so.

End of interview